

# HOUSE OF REPRESENTATIVES—Friday, July 27, 1984

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
July 26, 1984.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, July 27, 1984.

THOMAS P. O'NEILL, Jr.,  
Speaker of the  
House of Representatives.

## PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

*Those who trust in the Lord are like Mount Zion, which cannot be moved, but abides forever.—Psalm 125:1.*

We thank You, O God, for those values that give meaning to our lives. With all the pressures that seek people's attention and the tensions and conflicts of the day, help us to see more clearly the spiritual values that are our heritage and guide. May we not lose the vision of the goals of righteousness and honor, of justice and understanding, of peace and good will, that are a part of the divine image within us.

In Your name, we pray. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 22, 1984:

H.R. 5517. An act to amend title 31, United States Code, to provide for certain additional experts and consultants for the General Accounting Office, to provide for certain additional positions within the Gen-

eral Accounting Office Senior Executive Service, and for other purposes.

On June 25, 1984:

H.R. 1723. An act to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuges.

On June 26, 1984:

H.R. 1149. An act to designate certain national forest system and other lands in the State of Oregon for inclusion in the National Wilderness Preservation System, and for other purposes.

On June 29, 1984:

H.R. 3131. An act for the relief of Marina Kunyavsky;

H.R. 3221. An act for the relief of Harvey E. Ward; and

H.R. 4201. An act to provide for the rescheduling of methaqualone into schedule I of the Controlled Substances Act, and for other purposes.

On July 2, 1984:

H.J. Res. 492 Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1984, for the Department of Agriculture.

On July 3, 1984:

H.R. 5565. An act to direct the Architect of the Capitol and the District of Columbia to enter into an agreement for the conveyance of certain real property, to direct the Secretary of the Interior to permit the District of Columbia and the Washington Metropolitan Area Transit Authority to construct, maintain, and operate certain transportation improvements on Federal property, and to direct the Architect of the Capitol to provide the Washington Metropolitan Area Transit Authority access to certain real property.

On July 6, 1984:

H.R. 5953. An act to increase the statutory limit on the public debt.

On July 9, 1984:

H.R. 4921. An act to provide for the selection of additional lands for inclusion within the Bon Secour National Wildlife Refuge, and for other purposes;

H.J. Res. 544. Joint resolution to designate the week beginning September 2, 1984, as "National School-Age Child Care Awareness Week";

H.J. Res. 555. Joint resolution to designate July 20, 1984, as "Space Exploration Day";

H.J. Res. 566. Joint resolution to designate the week beginning on October 7, 1984, as "National Neighborhood Housing Services Week"; and

H.J. Res. 604. Joint resolution to designate July 9, 1984, as "African Refugees Relief Day."

On July 10, 1984:

H.R. 5174. An act to amend title 28 of the United States Code, regarding jurisdiction of bankruptcy proceedings, to establish new Federal Judicial positions, to amend title 11 of the United States Code, and for other purposes; and

H.R. 5404. An act allowing William R. Gianelli to continue to serve as a member of the Board of the Panama Canal Commission after his retirement as an officer of the Department of Defense.

On July 11, 1984:

H.R. 5950. An act to increase the Federal contribution for the Quadrennial Political Party Presidential National Nominating Conventions; and

H.J. Res. 567. Joint resolution to designate 1984 as the "Year of the St. Lawrence Seaway" and June 27, 1984, as "St. Lawrence Seaway Day."

On July 13, 1984:

H.R. 3825. An act to establish a boundary for the Black Canyon of the Gunnison National Monument, and for other purposes;

H.R. 3922. An act to establish a 1-year limitation on the filing of claims for unpaid accounts formerly maintained in the Postal Savings System;

H.R. 3927. An act for the relief of Kenneth L. Perrin; and

H.R. 4308. An act granting the consent of the Congress to an interstate compact for the preparation of a feasibility study for the development of a system of high-speed intercity rail passenger service.

On July 16, 1984:

H.R. 3075. An act to amend the Small Business Act to establish a small business computer security and education program, and for other purposes;

H.R. 5154. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; and

H.R. 5653. An act making appropriations for energy and water development for the fiscal year ending September 30, 1985, and for other purposes.

On July 17, 1984:

H.R. 4616. An act to amend the Surface Transportation Assistance Act of 1982 to require States to use at least 8 per centum of their highway safety apportionments for developing and implementing comprehensive programs concerning the use of child restraint systems in motor vehicles, and for other purposes;

H.R. 4997. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972, for fiscal years 1985 through 1988, and for other purposes;

H.R. 5155. An act to establish a system to promote the use of land remote-sensing satellite data, and for other purposes;

H.R. 5740. An act entitled, the "Barrow Gas Field Transfer Act of 1984";

H.R. 5753. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1985, and for other purposes; and

H.J. Res. 548. Joint resolution authorizing the President's Commission on Organized Crime to compel the attendance and testimony of witnesses and the production of information, and for other purposes.

On July 18, 1984:

H.R. 3169. An act to amend the Energy Policy and Conservation Act to facilitate commerce by the domestic renewable energy industry and related service industries;

H.R. 4170. An act to provide the tax reform, and for deficit reduction; and

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

H.R. 5713. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1985, and for other purposes.

On July 23, 1984:

H.R. 29. An act to recognize the organization known as the Polish Legion of American Veterans, U.S.A.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 2303) "An act to revise and extend the Alcohol and Drug Abuse and Mental Health Services block grant," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mrs. HAWKINS, Mr. QUAYLE, Mr. GRASSLEY, Mr. KENNEDY, Mr. MATSUNAGA, and Mr. RIEGLE to be the conferees on the part of the Senate.

The message also announced that pursuant to the provisions of Senate Concurrent Resolution 122, 98th Congress, the Vice President appoints Mr. BAKER, Mr. MATHIAS, and Mr. FORD as members, on the part of the Senate, of the Joint Congressional Committee on Inaugural Ceremonies.

#### PLAYING POLITICS WITH SOCIAL SECURITY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, there has been little or no public analysis of President Reagan's proposal that Congress change the law to allow for a Social Security cost-of-living adjustment next year if the CPI is below 3 percent.

The White House realized that it is very likely that a COLA will not be triggered this year and that announcement will come approximately 1 week before the November election. And if that COLA is not triggered under current law, Mr. Reagan is afraid that he would get the blame for it.

In order to head off that possibility, Mr. Reagan has asked Congress to bale him out of what might be a sticky political situation by changing the current law. He took this action over 60 days in advance of the triggering date. It was a blatant political move.

Yet, I guess it is a smooth political move on his part. Regardless of whether you support or oppose granting the cost-of-living increase, I think that Congress should not rush to immediately jump on the President's COLA bandwagon. Judging by the Senators actions last night, it looks like the stampede has started.

But, good election year politics is not always responsible public policy.

I am well aware of the politics of this matter and I know that it is likely that this proposal will be adopted. But in doing so we should be fully aware of what we are doing. Eliminating the trigger as done by the Senate last night will result in a tax increase next year by raising the FICA base. It will result in changes in a number of other formulas including an increase in Medicare part B premiums for the elderly.

This is not a simple matter. It deserves some analysis and we should be honest with the American people about what we are doing and why we are doing it. I will have more to say on this matter later.

#### THE BKK LANDFILL

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, EPA Administrator William Ruckelshaus has been invited to testify before an emergency congressional hearing and tell us the truth about the BKK landfill. The BKK landfill is located in a densely populated city in my district.

Mr. Ruckelshaus will be testifying before an energy subcommittee that I sit on. I will be asking the Administrator why he has refused to close the BKK landfill even though 21 families have been evacuated from their homes due to cancer causing vinyl chloride levels as high as 99 times the acceptable standards.

Yesterday a letter was delivered to the Administrator signed by 21 of my southern California colleagues asking that the BKK be closed immediately.

Mr. Speaker, this is not an economic issue. Mr. Speaker, this is not a political issue. Mr. Speaker, this is a health issue.

Before more families are evacuated or a far more terrible tragedy occurs, I believe that Mr. Ruckelshaus should enforce the law and immediately close the BKK landfill.

#### ADMINISTRATION POLICY: BAIL OUT FAILING BANK BUT SELL PROFITABLE RAILROAD

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, the Reagan administration announced yesterday its bailout of the Continental Illinois Bank, one of the Nation's largest. This bailout could cost the taxpayers several billion dollars.

Indeed, the bailout represents a flip-flop by administration officials. Earlier, Treasury Secretary Regan had criticized the effort. But in the final analysis, the administration showed where its true loyalty was—to big business rather than the taxpayers.

At the same time that the administration was rushing to bail out this failing bank, it was proceeding quickly in its attempts to sell Conrail, which is projected to earn \$500 million this year. Thus, the administration's policy becomes clear—bail out failing companies but quickly sell profitable companies. Any competent businessman would tell you that approach is wrong. Clearly, the administration does not know how to run a business. The real losers in this game are the taxpayers.

□ 1010

#### WHERE DID WE LOSE JOBS IN THIS COUNTRY?

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, yesterday it came to my attention through the Freedom of Information Act that in 1980 the Carter-Mondale administration gave a secret letter to the People's Republic of China, guaranteeing them that they would essentially hold them harmless for any additional textile imports that came into this country outside of the bilateral agreements, and essentially giving them privileges that were not negotiated under the agreements that they had negotiated in their bilateral negotiations.

This resulted in a doubling of textile imports from the People's Republic of China, and the displacement of hundreds of thousands of American jobs. I have taken a special order today; I will read this letter into the Record, and I will have a lot more to say about it this afternoon. The public should know where we lost some of the jobs in this country.

#### BUREAUCRATIC INSENSITIVITY

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, last evening when I and thousands of other residents tried to return to northern Virginia, we found that the traffic on the bridges over the Potomac River was once more gridlocked. I submit to you this morning, Mr. Speaker, that in another incredible example of bureaucratic insensitivity, and a failure to properly coordinate among Government units, we find a situation that dramatically affects the lives of real people in the real world. That situation is that the two major river-crossing bridges in the Washington metropolitan area serving northern Virginia are severely restricted to vehicle traffic at the same time which is creating enormous problems for commuters.



The 14th Street Bridge administered and maintained by the District of Columbia will have substantially reduced capacity for 4½ months because of needed resurfacing and safety improvements. The Woodrow Wilson Bridge administered by the State of Maryland is receiving minor repairs of the resurfacing that was done last year. But in a totally insensitive way, both of them have been scheduled all at the same time, and travel back and forth across the Potomac River is seriously impeded.

I have talked to and written the Governor of Maryland suggesting that he exercise his prerogative to defer the minor repairs on the Woodrow Wilson Bridge until we get the 14th Street Bridge repairs completed and thereby restore some kind of semblance of reason to the movement of traffic in the Nation's Capital. To do less for our frustrated and beleaguered citizens is unthinkable.

I fully realize that the State of Maryland did not set out deliberately to thwart efforts of commuters to travel to and from work.

But the result is just the same as if it did. And the entire situation could have been avoided, and still can be corrected, if Maryland officials exercise a little commonsense.

I am told that the repairs to the Wilson Bridge are minor, and that delaying them will not pose any safety hazard.

Let us hope that Maryland agrees to call off its repair crews until the 14th Street Bridge redecking is completed this fall.

#### STAND UP FOR AMERICAN CONSUMERS

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, today I call to the attention of my colleagues a recent action by the Canadian Government regarding the price of Canadian natural gas which is exported to the United States. During our July recess, our neighbor to the north relaxed its rigid uniform border price for natural gas requiring that all gas sold outside its borders be sold at the uniform price of \$4.40. Under this new policy, this gas should fall to approximately \$3.10 per mcf.

Beginning November 1, 1984, American consumers will be permitted to negotiate a competitive price from Canadian natural gas producers within certain restrictions. Specifically, the negotiated price must still be above a certain floor amount, which will be tied to the wholesale price of gas in Toronto, and the producers of natural gas will have to satisfy Canada's National Energy Board that the negotiated price is at least equal to the price of

alternative fuels in the United States and that the negotiated price will "enhance the economic return to Canada compared with the current system." However, the Canadian Government will allow spot sales of gas at prices below the floor price.

I commend the Canadian Government for this change in its pricing policy. It is a dramatic step, and it should result in lower gas prices for American consumers. Though Canada only supplies about 4 percent of the U.S. demand for gas, this new policy should force U.S. companies into lowering their prices to stay competitive.

However, several more steps are needed to reduce the unjustifiably high price of natural gas which consumers are paying today. We need to move the natural gas legislation out of the Rules Committee and on to the floor for debate. I repeat my challenge, Mr. Speaker, for you to stand up against special interest groups and to stand up for American consumers by permitting the House to debate this legislation.

#### GET FDIC OUT OF THE BANKING BUSINESS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the announcement yesterday by the Chairman of the Federal Deposit Insurance Corporation that his Agency would take an 80-percent equity interest in Continental Illinois Corp., in exchange for \$4.5 billion in bad loans is a blatant abuse of that Agency's charter and a slap in the face of this Congress. The FDIC is supposed to insure depositors of banks up to \$100,000—it has no statutory authority to preserve and protect bank holding companies.

There was some loose talk yesterday—scare words—by Chairman Isaac about 2,100 other banks that would fail if Continental Bank had to close. That's a lot of nonsense. Of course they won't give us any specific facts about this supposed problem. It looks like the profits of the entire banking industry are being protected by this scheme.

The FDIC has carried its policy of "purchases and assumptions" too far. Since it couldn't find a merger partner for Continental, it has entered the banking business itself with the Federal Reserve Bank of Chicago's money.

What happened yesterday is that \$3.5 billion, which was lent to Continental Illinois Bank by the Federal Reserve Bank of Chicago has been used to finance the Federal Deposit Insurance Corporation's takeover of the bank holding company. The scheme is complex enough—with two classes of preferred stock, stock options for the present shareholders, a

dummy corporation to hold all the outstanding common shares of Continental—to bedazzle the likes of Fisk and Gould, the high-rolling swindlers of the 1860's.

This Congress should address this issue immediately. An amendment must be included in any banking legislation we pass to require the FDIC to pay off all depositors of Continental Bank up to \$100,000—and not a penny more. We must insist that the FDIC obey the letter and spirit of the laws Congress writes. The purpose of deposit insurance is to protect bank customers, not bank holding companies.

The FDIC claims taxpayers' money was not used. That's a distinction without a difference, because the Federal Reserve's printing press was used instead. The Federal Deposit Insurance Fund is financed by mandatory fees collected from banks. A mandatory fee is no different from a tax on the industry. Sure, the billion dollars below book value the FDIC is paying for the bad loans, and the shares of preferred stock, might yield a speculative profit for the Fund in a few years—but by what right does the Agency gamble and speculate with its trust fund?

How can this Congress seriously consider the banking legislation reported less than 1 month ago by my committee, changing statutory regulations on bank holding companies, when the FDIC announces to the world that there are no substantive differences between chartered banks and their holding companies. The whole idea of deregulating the financial services industry becomes a joke. The FDIC has just exploited the biggest loophole in banking law ever conceived.

#### NO PERSONAL ATTACKS FROM REPUBLICAN PARTY

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, this morning in the Washington Post, one of the members of the Democratic ticket, and our colleague, GERALDINE FERRARO, suggest that the campaign would be dirty and personal from the Republican point of view. That inaccuracy cannot be allowed to stand. There are questions, legitimate questions being asked by the press. There are no and will be no personal attacks by the Republican Party.

In a platform that 30 times called the current President of the United States reckless, putting a nation on the brink of war. A Democratic leadership that has been more partisan and more personal in its criticism than ever before, it seems unusual, unique and all together without fact to blame

the other side for what has already occurred from the majority.

We will discuss the issues because that is what the American people deserve and want.

#### THOMAS JEFFERSON WOULD BE PROUD

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, in the Washington Post this morning there is an article explaining what we did yesterday on the school prayer issue. That article contains this rather incredible statement, and I quote:

Most lawmakers said the approved amendment codifies the existing situation which allows students silently to exercise their right to freedom of speech.

Thomas Jefferson would certainly be proud of us.

#### HUNGER RELIEF ACT OF 1984

The SPEAKER pro tempore. Pursuant to House Resolution 517 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5151.

□ 1018

#### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5151) to alleviate hunger in the United States by strengthening Federal nutrition programs, with Mr. TORRES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 30 minutes and the gentleman from Missouri [Mr. EMERSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984.

In response to the short title of the bill, it has been asked, "Does hunger really exist in the United States today?" I wish the answer were different, but it is very clearly "Yes." While an improving economy has resulted in a reduced level of unemployment, there are many areas of the country and many groups of our citizens that have not benefited from this improvement.

The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of our committee, under the

outstanding leadership of its chairman, LEON PANETTA, and BILL EMERSON, the ranking minority member, has held hearings over the length and breadth of this land. The hearings disclosed a tremendous need for food assistance on the part of those segments of our people whom economic recovery has simply passed by.

On-site visits, and testimony by representatives of the U.S. Conference of Mayors, State and local governments, operators of soup kitchens and food pantries, and others dramatically portrayed the increased demand for emergency food assistance in many parts of the country. The President's Task Force on Food Assistance also examined this problem. Their findings are perhaps best illustrated by their lengthy list of recommendations for addressing the situation they found to exist. Many of those recommendations are implemented in H.R. 5151.

Mr. Chairman, the Committee on Agriculture has worked diligently on this legislation. The bill, as reported, is quite different from H.R. 5151 as introduced. Provisions relating to the child nutrition and elderly feeding programs that fall within the jurisdiction of the Committee on Education and Labor have been deleted. And many other modifications were made. The result is a moderate but meaningful bill—one that goes far toward ensuring that the needy among us have access to a decent diet.

The bill enjoys remarkably broad bipartisan support among members of the Agriculture Committee. There is a significant difference of opinion among our members as to only two provisions. There is, therefore, broad agreement among committee members as to steps that should be taken to ensure that the Food Stamp Program continues to be an effective and compassionate nationwide response to the food needs of the less fortunate in this land of plenty.

I will summarize the recommendations of the President's Task Force to which the bill responds. The Task Force recommended that benefits under the program be restored to a level that represents the full cost of the so-called Thrifty Food Plan, a low-cost dietary plan developed by the Department of Agriculture. Under current law, through fiscal year 1985, program benefits represent only 99 percent of the cost of the plan. The bill would, for fiscal year 1985, put into place the Task Force recommendation. For fiscal year 1986, it would increase the benefits to represent 101 percent of the cost of the Thrifty Food Plan. For subsequent years, it would return the benefit level to 100 percent of the cost of the plan. But it would recommend a study of the basis for the program benefits, as now determined, to be completed so that the Congress may have its findings in hand for con-

sideration in reauthorizing the program in 1985.

The President's Task Force also recommended that households, all of whose members receive assistance under the Aid to Families with Dependent Children or the Supplemental Security Income Programs, be made categorically eligible for food stamps. The bill accomplishes this objective.

The Task Force further urged an increase in work incentives for those who participate in food assistance programs. H.R. 5151 responds to this recommendation. It increases from 18 percent to 20 percent the amount of a household's earned income that is deducted in calculating the household's net income for program purposes. Thus, the concept of work incentives is furthered.

The President's Task Force also recommended updating the assets or resources eligibility standards of the program. Consistent with Task Force recommendations, the bill would, effective April 1, 1985, increase the assets eligibility standard for the elderly from \$3,000 to \$3,500, and for other households from \$1,500 to \$2,250. It also exempts from counting for program purposes property directly related to the maintenance or use of a vehicle that does not count as an asset for program purposes because it produces income—a taxi or truck, for example—or is used to transport a handicapped person. This provision was included to eliminate confusion that has arisen in the past as to the appropriate treatment of property of this nature—such as lots on which vehicles are parked and maintenance equipment for such vehicles—in calculating the value of household assets.

Further, the bill would increase from \$4,500 to \$5,500 the threshold above which the value of "nonexempt" household vehicles used for continuing or obtaining employment, or for other household purposes, is counted in computing the amount of a household's assets for program purposes. For example, if such a car is worth \$6,000, \$1,500 is now counted in this computation. The \$4,500 threshold for counting vehicle value has not been increased since 1977, notwithstanding a better than 90-percent increase in the cost of used cars over that period. I would add, however, that the modification in the vehicle value threshold was the subject of some disagreement within our committee. Some members believe that the present \$4,500 threshold should be maintained.

With respect to other aspects of the program, the President's Task Force recommended that State agencies that operate the program implement procedures for staggering their issuance of stamps throughout the entire month, and keep food stamp offices open



during evening and weekend hours to better serve recipients, particularly those who work. The bill also addresses these recommendations. And the Task Force recommended that the homeless not be excluded from participation in the program merely because they have no fixed address. While current provisions of law do not exclude the homeless from the program, H.R. 5151 contains provisions making it explicitly clear that the homeless are eligible to participate if they qualify under the regular eligibility standards of the program. Although the bill requires that State agencies insure that methods for certifying the homeless limit program participation to eligible households, it is not the committee's intent that State agencies apply to the homeless extraordinary certification measures not applicable to other households seeking to participate in the program. For example, the homeless should receive expedited service under the same circumstances that apply in the case of other applicants.

In addition, the bill would make other modifications in the legislation governing the program. It would restore to the State agencies the option of using a variety of procedures for calculating household income for program purposes. Under present law, the State agencies are required to employ what is referred to as "retrospective budgeting," together with monthly reporting, for certain households. This procedure entails, for these households, a monthly report of their circumstances and a determination of their income—and thus their program benefits—on the basis of their reports, which reflect income in the preceding month.

A majority of the State agencies have strongly objected to this mandatory process because, among other reasons, it is said, first, to impose an undue burden upon participants to submit, and upon the State agencies to handle, a huge volume of reports on a monthly basis, and second, not to be cost-effective.

The provisions of the bill are designed to give State agencies a broad choice in fashioning the procedures to be used to determine household income. Under the bill, the State agencies may require households to report monthly or at less frequent intervals. But, in this regard, no change would be made in the statutory requirement that households not required to submit monthly or other periodic reports must report to the State agency any changes in household income or other circumstances necessary for accurate eligibility and benefit determination. The State agency would also be free to choose whether or to what extent it would utilize retrospective budgeting.

In connection with this provision, I would note that the bill requires that

the State agencies use "prospective accounting" for households upon their application for the program. This provision essentially reflects current regulations governing the program. It provides that when households enter the program, ordinarily because of a change in their household status, they will not, during their beginning period of program participation, experience the hardship that application of "retrospective budgeting" could well impose upon them.

While the bill would give the States a great deal of flexibility in these program matters, it would, on the other hand, effective beginning with fiscal 1986, make the States liable to the Federal Government for the full value of all excess coupons issued during a fiscal year attributable to State administrative error rates exceeding 5 percent. This change would continue the 5 percent administrative error rate standard and that becomes effective under current law on October 1, 1984, but it would impose, beginning in fiscal year 1986, more stringent sanctions than exist under current law for States that fail to meet the 5-percent standard.

The provision of the bill giving the States an option on "monthly reporting/retrospective budgeting" was the subject of some disagreement within the committee. Some members believe that the monthly reporting requirements that are a customary element of retrospective accounting instill a useful discipline into the program. However, the view of most of the committee, a view with which I concur, is that available information does not establish the efficacy of these requirements and that the combination of State option on these procedures, together with more stringent sanctions for State agency error, is most likely to achieve the desired error rate reduction.

Further, the bill requires the Secretary of Agriculture to take certain steps to enhance the effectiveness of measures designed to ascertain the nutritional status of low-income households. It requires the Department of Agriculture to include in its food consumption surveys a representative sample of low-income households and requires, to the extent practicable, that it collect information on food and other household expenditures. It also authorizes additional funds that would be used by the cooperative extension services in the States in expanding their programs for providing food, consumer, and nutrition education to low-income households.

Other features of the bill include revising the definition of "disabled" to include several categories of persons whose disabilities are equivalent to those of the disabled now included in the act. This would make available to similarly situated disabled persons cer-

tain special considerations under the program.

H.R. 5151 would also increase the current ceiling on the combined deduction for dependent care and excess shelter expenses in a manner that would more adequately recognize the heavy expense borne by many food stamp households, particularly in connection with child care costs incurred by those who work, and to a degree relieve the "heat or eat" dilemma faced by many low-income individuals.

The bill would also implement measures to insure that the program is effectively carried out on an emergency basis in areas suffering from disasters by requiring the Secretary to dispatch members of his "Disaster Task Force" to affected areas. The objective here is to be sure that State and local food stamp offices are familiar with the program's special provisions for emergency situations.

H.R. 5151 would require that State agencies use improved tools for verifying household income that have been made available under provisions of law recently enacted by Congress involving access to tax return information on unearned income. And it would strengthen the job search program carried out by State agencies under which certain program participants who are required to register for work are also required to participate in certain job search activities. State agencies would have the latitude to shape their job search programs in what they believe is the most effective manner. H.R. 5151 would allow them to exempt from the program categories of household members whose participation would be impracticable, and to exempt individual household members—or to suspend application of program requirements to such members—because personal circumstances make their participation impracticable. Thus, the bill contemplates that State agencies will target their job search activities on that segment of the caseload required to register for work that will most likely benefit from such activities.

In related matters, the bill establishes a 4-year pilot food assistance program for the rural areas of Alaska where, because of unique characteristics of remoteness of small populations and other factors, operation of the food stamp program is not practicable. The bill gives the State and the Secretary a great deal of flexibility in fashioning a program to meet the truly extraordinary conditions present in Alaska's rural areas.

The provisions of the bill establishing a pilot food assistance program for the rural areas of Alaska include a requirement that the basis for the funding for the program for the fiscal year 1986 is the amount that would have been expended to carry out the regu-

lar food stamp program in such areas during that fiscal year. While this base is subject to adjustment, as provided in the bill, I wish to make very clear that this base is to reflect the value of the enhanced program benefits for rural Alaska that were required by Public Law 97-98, approved on December 22, 1981.

H.R. 5151, as originally introduced, contained a directive requiring the Secretary forthwith to issue regulations implementing the statutory provision enacted in 1981. Before committee markup of the bill was completed, the Secretary finally issued such regulations. Therefore, the committee deleted this directive during its consideration of the bill. In view of these developments, the committee, in prescribing the basic funding level for the pilot food assistance program for rural Alaska for fiscal year 1986, understood that the level will, of necessity, reflect the special allotment levels that the Secretary's new regulations belatedly have put into effect. Even though I believe the legislative language requires this result, I emphasize the point to eliminate any possible misunderstanding as to what the bill contemplates.

The bill would also prohibit banks and other financial institutions from assessing fees or charges for redeeming coupons for food stores that participate in the program if those stores present those coupons generally in a manner that conforms with the requirements placed upon financial institutions in presenting coupons to the Federal Reserve banks. And it would expand the Commodity Supplemental Food Program, under which food assistance is now provided to certain women, infants, and children, to permit program operators to include the elderly among program beneficiaries, so long as doing so will not diminish assistance to women, infants, and children.

Mr. Chairman, the provisions of H.R. 5151 do not provide the degree of additional assistance that some believe should be made available to our needy. However, the bill does adopt realistic measures to target its enhanced benefits in a manner recommended by many who are concerned with problems of the hungry, including the President's Task Force on Food Assistance. It recognizes the budgetary realities with which we are faced and, in my judgment, represents a judicious and balanced approach, given the various competing influences under which we must legislate. I would add that the costs associated with the bill, as modified by our committee, fall within the spending target of the budget resolution passed by the House. For these reasons, the great majority of the provisions of the bill enjoyed broad bipartisan support in the Committee on Agriculture. I ask Members to give H.R.

5151 the enthusiastic support I believe it merits.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. The bill, I think, is a constructive and responsible effort to address one of the most serious issues facing the country today; that is, domestic hunger. Just as the issue of hunger is not a partisan issue, but rather a national issue, so this bill is not a partisan bill, but a bipartisan effort to try to respond to the needs of those who are hungry.

The ranking member of our subcommittee, BILL EMERSON, and I have worked hard to try and resolve our differences and present to the body a bipartisan effort, and that is contained in H.R. 5151. I thank him for his efforts and his cooperation.

□ 1020

My gratitude also goes to Chairman DE LA GARZA and to the ranking minority member of the full committee, ED MADIGAN, for their help and their cooperation, and also special thanks to JIM JEFFORDS for the help that he provided in initiating H.R. 5151.

We deal with an issue that concerns us all from a moral point of view because we feel it is important and a duty in this country to feed the hungry; from a national point of view because we are a rich Nation, the No. 1 agricultural producer in the world, and it is indeed a national shame to have those who are hungry in a land as wealthy as ours; from a health point of view because a lack of adequate nutrition impacts on the health of the elderly, on the expectant mother, on the newborn child; from an education point of view because the lack of proper nutrition impacts on the quality of education that can be provided to a hungry child; and from a cost point of view because we know that for every dollar we spend on providing good nutrition we save up to \$3 or more in health care costs and in the loss of good education.

So dealing with the hunger issue in our society makes good sense. Yet there are many, many Americans, some in high places, who would question the extent of hunger in our society. Frankly, I think that the question is legitimate. It is legitimate because many Americans do not know what the other side of America is like. They do not go to soup kitchens, they do not go to food pantries on a daily basis, they do not go to the food stamp office.

So the problem is that people do not see on a daily basis the issue of hunger up close. That is another side of America. It is the side that we see in places

like Harlem or the Bronx, or on the South Side of Chicago, or in South Miami Beach, or in Appalachia, or in East Los Angeles, or in the Tenderloin area of San Francisco where the Select Committee Task Force on Domestic Hunger was just a few days ago.

We have been there. The Subcommittee on Nutrition has been there—a number of hearings throughout this country. The Task Force on Domestic Hunger of the Select Committee has been there. The President's Commission has been there. The mayors' task forces, the Governors' task forces, the GAO, religious leaders, the Salvation Army, United Way. They have all been there.

Ask all of them who have been there and have seen this issue up close, and time and time and time again it is the same story. There are more and more Americans who are seeking out food assistance. Soup kitchens, wherever you go, whether it is rural or whether it is urban America, soup kitchens that were serving maybe 50 or 60 transients a few years ago are now serving 500, 600, 700 people. In San Francisco just last week one group that was serving 4,000 a month is now serving 25,000 a month.

This is an issue that involves not just transients any more, but it involves families and children and the unemployed and the elderly. Many do not qualify for benefits. Many have benefits that run out. They are waiting in lines for food, for cheese, for butter, for a bag of groceries. They are ashamed, they are depressed. They have been bypassed by the recovery and bypassed by society.

They are the result, really, of a recession, of unemployment, of jobs that are gone, and of reduced benefits, all of those factors contributing to what we are seeing in the country today.

No one disputes these facts. The issue is no longer whether or not there is hunger in our society; the issue is what are we going to do about it?

The Congress has, on a bipartisan basis, been responsive to this problem. We passed resolutions last year overwhelmingly to try to hold the level of nutrition, of benefits that are provided in existing nutrition programs. We passed a commodity distribution program to try to provide some help to the soup kitchens and the food pantries with regard to the commodities that we have in storage. We, as a body, adopted the Select Committee on Hunger, established it so that it could take a stronger and more firm look at the problems of both domestic hunger as well as hunger abroad.

But we urgently need steps right now to deal with the urgent problems that are being faced in trying to provide relief to the most needy. In approaching this issue, BILL EMERSON



and I had several guidelines that we tried to follow.

One is that we understood that this bill is not going to solve all the hunger problems in this country. We understand that. We will have a reauthorization bill next year as part of the farm bill, and many of the issues that many people are concerned about will have to be looked at closely at that time.

We did feel we had to address the most crucial problems as identified by the subcommittee, as identified by the mayors' groups, the GAO, and most particularly as identified by the President's Task Force on Hunger.

Third, we wanted to keep the cost within the budget resolution. We recognize the problems of the deficit. We recognize that we want to hold spending down in a number of areas, so it was our goal to keep whatever cost this bill would involve within those established by the budget resolution and adopted by the House, and this bill is well within those targets.

There are four key areas we wanted to address, that we think are most important. One is the area of increasing work incentives. The pressing problems that we see out there, the individuals who are there, the most common thread that ties all of them together is that they do not want to be there. They do not want to be there. They are not there because it is great to be in a soup kitchen. Believe me, anyone who has gone there knows how depressing it is. They want to get out of there. They want to get a job. They want to be able to work.

The problem is that over the last few years, the main thrust of the changes that have taken place have created a disincentive for people who want to work, because as soon as they get into a working poor job they lose many of their benefits and then they are forced to go back into the lines.

We want to encourage people to work, so for that reason we restored the deduction for earned income from 18 to 20 percent. We have expanded the Job Search Program and the training requirements that are part of this program to make sure that people get every chance to try to find a job and get off of food stamps.

□ 1030

We have also increased the deduction to try to cover child care expenses so that working mothers can indeed be able to find jobs and keep them.

Second, we wanted to increase the adequacy and accessibility to the benefits provided. Everyone has pointed this out. The President's Task Force has made it clear that we had to provide some modest increase in benefits. What we have seen is that by the third week of every month the benefits often run out. The President's Task Force identified the Thrifty

Food Plan, which is the basis on which we established the benefit, as needing to be increased from 99 to 100 percent of the cost of that plan, and we have done that in this bill. We have followed the President's task force's recommendations.

We have increased the shelter deduction because of the increased cost of housing and utilities. We have updated the assets limitations which in many instances have not been updated since 1971 so that we would be able to accommodate those who truly need this kind of assistance. We have allowed certain handicapped to qualify. We have authorized commodity assistance for the elderly so that they would get that benefit, and we have provided these benefits to the homeless, which is an increasing problem in the country.

Third, we have improved nutrition education and hunger surveillance. What we have found continually is that when these benefits are provided, they are not accompanied with adequate nutrition information as to what is important to buy. So we have included in here assistance to try to improve nutrition education, and we ask the U.S. Department of Agriculture to perform a better surveillance in the country as to who is hungry.

Fourth, we have improved the administration and the accountability of the program. We understand that that has to be continued. We have not reversed one bit of legislation that has been targeted as fraud, waste, and abuse, and we have indeed improved it as part of this bill because we think it is important to do that. If we are going to have this kind of program, it ought to be run efficiently and effectively, both for the taxpayers' purposes and the beneficiaries' purposes. We now utilize information from the IRS in terms of unearned income to make sure we are checking those figures.

We provide for categorical eligibility for AFDC and SSI. We have this tremendous amount of paperwork in which people have to go to one group for one kind of assistance and to another group for another kind of assistance. It is crazy. If they qualify for AFDC, if they qualify for SSI, then they automatically meet the qualifications that are needed in terms of the food stamp program.

We eliminate the mandate with regard to monthly reporting. We find there is a tremendous overload of red-tape at the local administration level, and one of the reasons for it is the monthly reporting requirement. What we do is leave that to be optional to the States. If they want to use it, fine; if they do not, that decision is up to them.

We also provide for increased penalties for those States that do not get their error rates below 5 percent because we think it is important to keep

sending the message out to the States to keep those error rates down.

In conclusion, my views and, I think, the views of my colleagues on the Nutrition Subcommittee are that we have formed a carefully structured compromise. It is not going to solve all the problems of hunger—God knows we know that—but it is a positive step in trying to assist those who are in the greatest need.

If this passes, it will do more to provide help to the hungry than anything we have passed in the last 3 years. This is the basic program, the food stamp program, that deals with the hungry in the country, make no mistake about it. Passing this legislation will do more in one blow than anything else we have done in the last 3 to 4 years.

We target at the needs that have been identified by the President's Task Force. We recognize that. This is not something which reverses what we have done in the past. It targets at the needs that everyone agrees need to be met at the present time.

So please, let us not delay on this legislation. It is easy to talk about the hungry. We all love to talk about the real problems wherever we go, but the real challenge is to do something, and H.R. 5151 is doing something about the problem.

Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. This bill is a constructive and responsible effort to address one of the most serious issues facing this country today—domestic hunger. It comes to the floor today with widespread bipartisan support. I am grateful for the assistance of Chairman DE LA GARZA, the ranking minority member of the agriculture committee, Mr. MADIGAN, and the ranking minority member of the Nutrition Subcommittee, Mr. EMERSON, in forging this balanced package. Special thanks are also due Mr. JEFFORDS for his help in formulating H.R. 5151, as introduced.

In my capacities as both chairman of the Nutrition Subcommittee of the House Agriculture Committee and as chairman of the task force on domestic hunger of the House Select Committee on Hunger, I have seen the domestic hunger problem firsthand. As I have stated so many times before, the existence of hunger in this country, and especially to the degree it now exists, is a national shame.

Over the past 16 months, the nutrition subcommittee has conducted extensive hearings in Washington and around the country that leave no doubt that there has been a significant increase in the number of Americans who have difficulty feeding themselves from month to month. Witness after credible witness—including big city mayors from both political parties, religious leaders, United Way rep-

representatives, State welfare administrators, business leaders and others—have described a dramatic growth in the demand for emergency food assistance. These findings have been confirmed by reports of the U.S. Conference of Mayors, the General Accounting Office, the Citizens Commission on Hunger in New England, and many others, including the President's task force on food assistance.

In addition, our subcommittee has heard testimony from doctors, nurses, and other health professionals citing a growing body of evidence that links the current hunger problem with significant health problems—such as improper growth rates in children. I suspect that even more evidence along these lines will emerge from a series of hearings scheduled for this summer by the select committee on hunger.

Our subcommittee hearings this year and other reports also indicate that, despite the current improvement in the economy, the hunger problem is not abating. Testimony in Miami and Chicago this past March and recent surveys by the U.S. Conference of Mayors and the United Way indicate that emergency food aid demand in 1984 is likely to be as high or higher than in 1983, and shows no signs of slowing in 1985. It would appear that those most in need are among the last to reap the benefits of economic recovery.

Unfortunately, there are many persons in our society who will gain little relief even if the economy continues to improve. Those who cannot work—elderly and disabled persons, certain single parents with children—and those who already work but whose earnings leave them far below the poverty line, are helped little, if at all, by lowered unemployment. They are reliant upon the social safety net, which has been significantly damaged by recent reductions in most programs serving the poor. Even if continued economic recovery reduces the total number of Americans in need, these people would continue to face a serious hunger problem.

It was to address this concern that I, along with Mr. JEFFORDS and many others, introduced H.R. 5151 on March 15, 1984. As introduced, H.R. 5151 was designed to strengthen the various Federal feeding programs—school lunch, WIC, elderly feeding, food stamps—that had been credited with virtually eliminating hunger in America by the late 1970's. The bill, as reported, has been modified to accommodate the split jurisdiction of House committees over feeding programs and to bring the bill's cost within the spending targets assumed in the fiscal year 1985 House-passed budget resolution. Although the portions of H.R. 5151 relating to child nutrition and elderly feeding have been dropped, virtually the same child nutrition and el-

derly feeding proposals are working their way through Congress in separate bills (H.R. 7 and H.R. 4785, respectively).

However, even if all of these bills were to be approved by Congress and signed by the President, much would be left to be done. These bills would only achieve what I call a "down payment" on hunger. They would be constructive and helpful, but not put an end to the problem. Next year, I intend to pursue the unfinished agenda of H.R. 5151, as introduced. Issues of priority concern to me include basing food stamp benefits on a more adequate standard and providing for a separate deduction for dependent care expenses. Also, as H.R. 5151 now requires, I believe that a thorough review of the food stamp quality control system, and the sanctions based upon it, is necessary.

#### THE PRESIDENT'S TASK FORCE

As reported, H.R. 5151 includes many specific recommendations of the President's task force on food assistance. By raising the current assets limitations and basing benefits on 100 percent of the thrifty food plan in fiscal year 1985, the bill adopts the task force's most central recommendations to improve the adequacy and accessibility of the food stamp program. Other specific task force recommendations relating to the eligibility of the homeless, categorical eligibility, the staggering of coupon issuance, the hours of operation of food stamp offices, error rate sanctions, and nutrition surveillance are included in the bill.

In regard to the homeless, H.R. 5151 attempts to balance their need for assistance with the need to maintain maximum program accountability. Thus, while the eligibility of the homeless is clarified, State agencies must take steps to assure that only those eligible for assistance are provided benefits. In providing benefits on an expedited or regular basis, food stamp offices would be expected to generally check the eligibility factors that are checked for other applicants. The intent of the bill is to make it no tougher and no easier for the homeless to gain eligibility than for other persons.

H.R. 5151 also addresses areas that the task force identified as problem areas, but on which it made no specific recommendations. The task force acknowledged that rapidly increasing energy costs now consume a disproportionate share of the budgets of low-income persons. The bill addresses this issue by raising the ceiling on the excess shelter/dependent care deduction. The bill would also increase work incentives, another concern of the task force, by restoring the earned income deduction from 18 percent to 20 percent, and by increasing the funding and flexibility provided to the States

in conducting job search and job search training programs. Increasing the excess shelter/dependent care deduction also increases work incentives for those who incur child care costs.

#### JOB SEARCH

The job search provision is an important component of the bill. It is my hope that H.R. 5151 will result in a greater number of positive efforts to prepare and place food stamp recipients in unsubsidized employment. The increased funding provided under this bill (from about \$31 million to \$50 million) for job search and job search training programs should enable wider utilization of innovative approaches, such as job finding clubs.

Importantly, States would be afforded great flexibility, consistent with fundamental client protections, in determining what persons are subject to job search requirements and what those requirements are. States could decide, for instance, to focus on those work registrants for whom they believe the job search program would be most successful and limit the scope of job search accordingly. Or a State could operate a job search program of wide application that provides fewer services to clients. In each instance, I hope that States would make their choices according to what works. I, too, often hear that current work registration and job search procedures are little more than an exercise in paper shuffling. I hope that States will move to more meaningful programs.

In providing States flexibility to design job search programs, H.R. 5151 also strengthens client protections. Job search requirements would be of limited duration—ordinarily 2 months a year—and participants would be reimbursed—up to \$25 a month—for actual out-of-pocket expenses they incur in meeting them. The penalty for failure to comply with job search requirements would be specified (disqualification of the entire household for 2 months), although the bill makes clear that all participants must be given the opportunity to cure their disqualifications and have the right to return to the program once such cure is effectuated. Under H.R. 5151, persons who fail to meet the work requirements of other programs—such as AFDC—would not be penalized unless the violated work requirement was comparable to a food stamp work requirement and the other program has made a final determination that a violation has occurred.

#### MONTHLY REPORTING AND RETROSPECTIVE BUDGETING (MRRE)

By making monthly reporting and retrospective budgeting optional, H.R. 5151 would take an important step toward improving food stamp program management, and, in some instances, combating hunger. H.R. 5151 would



make clear that States are free to choose whether to utilize monthly reporting, periodic reporting, or a system whereby clients report changes as they occur. Similarly, States could choose whether to utilize prospective or retrospective budgeting. Under H.R. 5151, States would be free to mix and match reporting systems and accounting periods as they see fit.

Of course, should a State choose to utilize MRRB, the same limitations on its use and the same client protections provided in current law and regulations would apply; for example, certain households, such as the elderly and migrants, would be exempt from MRRB. Also, retrospective budgeting could not be utilized when determining initial eligibility.

Virtually every State and local welfare department favors a State option on MRRB. They believe that Federal officials are in no position to judge whether and to what extent MRRB is advisable in a given State. Especially since early pilot tests of MRRB show that MRRB can result in the disqualification of needy, eligible persons, I believe we should refrain from mandating this cumbersome and costly administrative procedure nationwide.

#### CONCLUSION

As I stated earlier, H.R. 5151 is a bill worthy of widespread bipartisan support. It would provide additional benefits where they are most needed, make the food stamp program more accessible to the "new poor," increase work incentives, and improve program administration.

This bill is a carefully structured package, and as is the case for all compromises, is not totally satisfactory in all aspects for all parties. However it is, in my view, indisputably a positive step for those who are concerned about fighting hunger in this country. And I am greatly heartened that we have been able to move this bill forward in a spirit of bipartisan cooperation.

#### FOOD STAMP FACTS,<sup>1</sup> JULY 23, 1984

##### (1) WHO RECEIVES FOOD STAMPS?

As of May 1984, 21.2 million people in about 7 million households receive food stamps.

70 percent of all households are headed by women.

60 percent of all participants are either very young, very old, or disabled.

58 percent of all households have children and these households receive almost 80 percent of all benefits.

About 47 percent of all participants are children.

About 20 percent of all households contain one or more elderly persons. Almost 90 percent of these households are elderly persons living alone or with one other person, who is usually elderly.

18 percent of all households have earners.

46 percent of all household heads are white, 37 percent are black, and about 10 percent are Hispanic.

##### (2) HOW POOR ARE FOOD STAMP PARTICIPANTS?

The average gross income of all households is \$356 a month or \$4,272 a year. Average net income is \$205 a month or \$2,460 a year.

95 percent of all households have gross incomes below the poverty line and they receive 98 percent of all benefits. (When food stamp benefits are included, 92 percent of all households have gross incomes below the poverty line.)

42 percent of all households have gross incomes below one half of the poverty line and they receive 59 percent of all benefits.

76 percent of all households own no countable assets; 97 percent own assets of \$500 or less; 99.7 percent own assets of \$1,500 or less.

##### (3) WHAT LEVEL OF BENEFITS IS PROVIDED?

The average benefit is about \$37.60 per person per month, or about 42 cents per person per meal.

The maximum benefit is about 70 cents per person per meal.

8 percent of all households receive the \$10 minimum benefit. Of these households, 77 percent have an elderly member. One person households at the minimum benefit receive 11 cents per person per meal.

#### RECENT LEGISLATIVE ACTIONS TO COMBAT ERROR, FRAUD AND ABUSE IN THE FOOD STAMP PROGRAM

##### 1983—PUBLIC LAW 98-204

Permitted states utilizing monthly reporting to conduct face to face recertifications more often than every six months.

Broadened the ability of states to cross-check information from other programs in verifying the eligibility and payment levels of food stamp participants.

Enhanced the ability of states to target the use of monthly reporting and retrospective budgeting on participants for whom it would be the most cost-effective.

##### 1982—PUBLIC LAW 97-253

States were granted increased means by which to collect fraud and nonfraud overissuances. As an incentive for increased state activity in this area, states were authorized to retain 50 percent of fraud recoveries and 25 percent of nonfraud recoveries.

Substantial penalties were established for states that fail to meet stringent error rate goals. States failing to reach a 5 percent error rate by FY 1985 would lose part or all of their administrative funding. Financial incentives were established for states with error rates below 5 percent.

The maximum civil money penalty for retail stores violating the Food Stamp Act was raised from \$5,000 to \$10,000 and the program disqualification periods for stores violating the Act was increased.

The Secretary was authorized to require a bond to be posted by stores previously disqualified or subjected to a civil penalty for Food Stamp Act violations or trafficking coupons.

Households that experience a loss of income resulting from a penalty imposed for intentional failure to comply with a Federal, State, or local welfare law were prohibited from having an increase in food stamp benefits due to a loss of that income.

The Secretary was authorized to restrict the number of households that could be served by an authorized representative.

##### 1981—PUBLIC LAW 97-98

States were made strictly liable for any losses in the handling and issuing of food stamps, including losses involving failure of coupon issuers to comply with prescribed requirements.

The Comptroller General of the United States was provided access to applicant and recipient records and to records relating to retail and wholesale food concerns, for audit and examination purposes.

State agencies were required (earlier law provided option to States) to utilize wage data collected by the Social Security Administration and State unemployment compensation agencies for the purpose of verifying the earnings of food stamp recipients.

Households were required to furnish the Social Security numbers of all household members in order to become eligible to participate in the program.

Retail stores participating in the program were required to display a sign providing information on how persons may report observed cases of food stamp abuse.

Food stamp applications were required to contain notices to applicants the information they provided would be subject to verification and that if any material part of the information were incorrect food stamps might be denied and criminal prosecution might result.

Local, State, and Federal law enforcement officials were provided access to information furnished by applicants for the purpose of investigating alleged violations of the Food Stamp Act.

Prison sentences were required for the second and subsequent convictions for violations of the Act or program regulations. Courts were authorized to suspend any convicted violator from the program for up to 18 months, in addition to any regular disqualification period under the Act. Further, courts could permit work approved by the courts as restitution for losses incurred by the violation.

Additional powers were granted to persons within the Department of Agriculture's Office of Inspector General who conduct investigations of felony criminal violations of the Act.

##### 1981—PUBLIC LAW 97-35

Applicants and recipients who misrepresented their circumstances were subjected to the same disqualification periods and penalties as those who commit fraud.

Recipients found to have committed fraud or misrepresentation by either a court or an administrative hearing were disqualified for a period of 6 months for the first offense; 12 months for the second offense; and permanently for the third offense.

Households receiving an overissuance of food stamps due to an error or mistake (rather than because of misrepresentation or fraud) would have their benefits lowered in subsequent months to recoup the overissuance.

State agencies were provided additional incentive to more aggressively pursue collection efforts by being able to retain 25 percent of all non-fraud and non-misrepresentation overissuances recovered.

##### 1980—PUBLIC LAW 96-249

States were provided an incentive to reduce error rates. The current 50 percent Federal matching rate for State administrative costs was increased to 65 percent for States with error rates below 5 percent; 60 percent for States with error rates between 5 and 8 percent; and 55 percent for States

<sup>1</sup> Most of the facts and figures included here are taken from "Characteristics of Food Stamp Households: August 1982," issued by USDA in June 1984.

which lower their error rates at least 25 percent from the preceding year.

An error rate sanction system was established whereby States that fail to reduce error rates below specified targets were liable for the cost of all errors above such targets.

Seventy-five percent Federal funding was provided to the States for costs incurred in developing and installing computer systems to reduce errors and to allow for computer matching.

States were authorized to conduct computer wage matching of information supplied by applicants and recipients against all available Social Security wage and benefit data and information in the files of State unemployment compensation agencies.

State agencies' authority for verification of household information was expanded to allow for development of error-prone profiles as a basis for mandatory verification requirements.

Certified households were required to present photo identification cards when exchanging food stamp authorization cards for food stamps in those areas in which the Secretary, in consultation with the Inspector General, finds that such a procedure would help protect the integrity of the program.

Food stamp certification personnel who determine, on the basis of information furnished by a household, that a member of the household is an illegal alien were required to report that information to the Immigration and Naturalization Service.

The Secretary was authorized to confiscate cash or goods used in food stamp trafficking.

States were allowed to use retrospective accounting and periodic reporting procedures to reduce error rates in those States that can implement these systems in a cost-effective manner.

#### 1979—PUBLIC LAW 96-58

Applicants were required to provide Social Security numbers.

Individuals disqualified from program participation for fraud were prohibited from re-entering the program after the disqualification period had been served unless they arranged to repay the amount fraudulently obtained.

As an incentive to intensify anti-fraud activity, States were allowed to retain 50 percent of the funds recovered as a result of their fraud investigations and prosecutions.

#### 1977—PUBLIC LAW 95-113

Persons found to have committed fraud were disqualified from participation for 3-27 months.

States were encouraged to investigate and prosecute fraud by an increase in Federal cost-sharing for such activities from 50 to 75 percent.

Elimination of the purchase requirement eliminated vendor fraud related to the handling of the participants' cash payments.

Persons who knowingly transferred assets in order to become eligible for food stamps were declared ineligible to receive them for up to one year.

Persons who refused to cooperate with program officials by denying requested data needed to determine their eligibility, or to complete quality control reviews, were denied or terminated from the program.

Mr. EMERSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of

1984. In my role as the ranking minority member on the Domestic Marketing, Consumer Relations and Nutrition Subcommittee I have worked closely with the gentleman from California, Mr. PANETTA, chairman of the subcommittee. We have traveled across the country, holding hearings, visiting soup kitchens, welfare offices, and food distribution centers. Our subcommittee looked into the problems of hunger and food assistance programs and evaluated efforts to address the issue at all levels of government and within the private sector.

We found that the lengthy recession and unemployment have caused suffering—no one disputes this. There are very positive signs that the economy is turning around—but while that occurs there are people in need and receiving assistance from Federal programs, their own community, and the private sector.

The Food Stamp Program is the major food assistance program operated by the Federal Government and is the program through which food aid is best delivered. Over 22 million people—1 in 10—receive assistance through this program. Through this program and others such as the school lunch program over 95 million meals per day are subsidized by the Federal Government and millions of pounds of cheese, butter, and other surplus commodities are ordered by States to distribute to their needy people.

This year almost \$19.5 billion will be spent on food assistance programs by the Federal Government. An increase since 1980 when the amount spent was \$13.8 billion.

Community organizations and churches also help and in 1982, according to the publication "Giving U.S.A.," an estimated \$60.39 billion was donated to hundreds of thousands of charitable organizations, institutions, and agencies—many of which help feed the needy in America.

In addition, last year the gentleman from California and I worked closely together on a bill that expanded the kinds of surplus commodities that can be distributed to needy people, extended the surplus distribution program for 2 years and authorized administrative funding to be paid for the actual costs of storing, transporting, handling, and distributing these surplus commodities. The gentleman from California and I worked very closely on this legislation and we agreed that it is not designed to take the place of the food assistance programs I mentioned previously. However, because of high unemployment rates—still felt in parts of the country—the past recession and the fact that surplus commodities are being stored by the Federal Government, I believe these surplus commodities should be made available to people in need.

Under that legislation passed by the Congress and the initiatives of the Department of Agriculture a total of 1 billion pounds of staple foods—such as cheese, butter, rice, and flour—have been distributed for use by individual households. Since July 1983 over 107 million pounds of canned foods—chicken, beef, tuna, pears, and sweet potatoes—have been distributed for use by these households.

All this is in addition to the 1.8 billion pounds of surplus food that is distributed each year to schools, nursing homes, hospitals, elderly feeding centers, and other charitable institutions.

The gentleman from California and I recognized that hunger in America and solutions to the problem must be offered in a bipartisan manner. As I mentioned earlier our subcommittee has studied the hunger issue on this basis. As a result of that effort the surplus commodity distribution program was extended for 2 years. We worked together on that piece of legislation—just as we worked together during the 97th Congress to achieve some necessary reforms in this program.

As a result of our efforts we have this bill before us today. H.R. 5151—the Hunger Relief Act—was designed to address in a responsible manner, the problems our subcommittee heard of and saw in our hearings. I believe we have accomplished this.

Our subcommittee incorporated in H.R. 5151, the recommendations of the President's Task Force on Food Assistance, other groups assessing the needs within their communities and organizations involved in feeding and helping poor people.

H.R. 5151 makes changes in the law in several broad areas. I would like to discuss several of the provisions of the bill before us today.

#### PROGRAM BENEFITS

H.R. 5151 increases program benefits and improves the operation of the Food Stamp Program.

The regular annual adjustment of the thrifty food plan, which is the basis for the food stamp benefits, will be based on 100 percent of this thrifty food plan—as opposed to the 99 percent now provided for October 1984. The President's task force recommended this action. The task force described a concern that many households cannot tolerate any reduction in purchasing power—no matter how small—and recommended that food stamp benefits be raised by increasing the full allotment to equal 100 percent of the thrifty food plan. The program will return to its stated goal of providing the purchasing power necessary to buy a basic nutritionally adequate diet as measured by the cost of the food plan.

Additionally the October 1, 1985, adjustment to the thrifty food plan will



be based on 101 percent of the benefit level. The 1-year increase in benefits is intended to provide additional meals for needy Americans while the food benefit levels of the Food Stamp Program are reviewed.

It makes sense that we look at the methods of calculating benefit levels for the poor—so that many items such as the needs of the elderly, cost of food in rural areas, the quality of diets, and other factors can be thoroughly reviewed.

As most Members know the actual benefit an individual or a family can receive is based on a determination that 30 cents of each dollar is spent on food by an average household. Therefore, an average family of four with a new monthly income of \$500 would be expected to spend \$150 on food. The thrifty food plan for a family of four currently is \$253. The food stamp benefit is the difference between the thrifty food plan (\$253) and the amount expected to be spent on food (\$150) or \$103. This is supplied in cash by the household.

Therefore most food stamp participants do not receive the full level of benefits since the elimination of the purchase requirement in the 1977 act. They are expected to put up some of their money for the purchase of food. The food stamp purchase requirement was eliminated in order to improve access to the program and allow more needy people to participate. That goal was accomplished.

However, one of the byproducts of the elimination of the purchase requirement was that for most participants, food stamp benefits will not last for the entire month. Eighty percent of food stamp participants receive partial benefits and at the end of the month—or depending on household income they will run out of benefits and must use their own funds to buy food. This is an important facet of the Food Stamp Program and when critics charge that the program doesn't work because people run out of stamps, they are either ill informed as to the program itself or misleading the public.

The definition of who is considered to be disabled and thereby qualified for additional benefits is expanded in H.R. 5151. Certain veterans, persons receiving railroad retirement benefits and certain individuals receiving supplemental benefits because of blindness or a disability will now be included in the definition of disability. All persons must demonstrate that they are at least as disabled as those receiving permanent and total disability in the SSI and Social Security programs.

The food stamp resource limitations are increased from \$1,500 to \$2,250 for most households and from \$3,000 to \$3,500 for households containing elderly persons. This was a specific recommendation of the President's task

force. The task force emphasized in its report, that many "new poor" households which have lost income due to unemployment in the past recession do not qualify for food stamps because they own too many assets. In addition, because of the lag between application for assistance and actual enrollment in the program, households living off their assets may get close to complete depletion of assets before they fall into eligibility level and benefits begin. These households should be given greater access to the food stamp system. Raising the asset limit will help accomplish this.

H.R. 5151 also contains a recommendation of the task force and the gentleman from California that the threshold value of a vehicle be raised to \$5,500. I disagree with this provision and will support the amendment offered by the gentleman from Missouri to retain the present law.

Several of the deductions allowable in the Food Stamp Program are increased. The earned income deduction is increased from 18 to 20 percent of earnings. This deduction is provided to cover a person's expenses that are necessitated by employment such as taxes, uniforms, and transportation. The President's task force, while not specifically recommending this change, did emphasize the importance of increasing work incentives in the program. One way to accomplish this is to increase the work related expense deduction.

The task force believed that Federal programs should be designed to maximize incentives for individuals to participate in the workplace and that participants in Federal assistance programs should be encouraged to obtain the skills and experience that only a job can provide. These same people should not be encouraged to become dependent on assistance on a long-term basis. Eligibility for food stamp benefits should be designed to encourage work.

Also the dependent care shelter deduction is increased from \$125 per month to \$155 per month—a 25-percent increase in this deduction. This deduction is primarily utilized by households with high shelter costs, although working households use the deduction for dependent care costs.

Currently food stamp households receive a deduction for excess shelter costs to the extent they exceed 50 percent of net income. Raising the deduction to \$155 would result in benefit increases for households with the high shelter and utility costs and for some who have dependent care costs. Up to \$25 more a month in dependent care costs could be deducted by those who incur them. This results not only in increased work incentives but also greater flexibility for those who must pay for dependent care in order to work.

The Commodity Supplemental Food Program [CSFP] is expanded to allow administrators of this program to provide supplemental food to the elderly, under regulations set by the Secretary. The 1981 farm bill authorized the Secretary of Agriculture to begin elderly feeding pilot projects to test distribution of commodities as a way to help elderly poor persons. Funds were made available for pilot projects, beginning in September 1982, in Detroit, MI, and Des Moines, IA, and beginning December 1982, in New Orleans, LA.

The 2-year demonstration projects have provided necessary monthly food packages to low income senior citizens. H.R. 5151 provides that CSFP can, at the option of local program operators, be extended to elderly persons, provided that such extension does not deny commodities to eligible women, infants, and children. Local programs would be able to serve elderly persons only to the extent they can be served within the caseload authorized for any fiscal year set by USDA.

H.R. 5151 will also ensure that individuals without a fixed home address are eligible for participation in the Food Stamp Program. The President's task force included this provision among its recommendations to improve the Food Stamp Program. It was reported to the task force that 19 States required an individual to have a fixed household address in order to be eligible for food stamps. The task force believed it unfair that States arbitrarily eliminate the homeless from this major national entitlement program.

While our committee recognizes the need to ensure the homeless are not denied benefits solely due to a lack of a fixed address, it must be emphasized that States take care that all food stamp eligibility factors are met before benefits are made available to such applicants. States may have used the fixed address as a means to protect against multiple participation of households in the food stamp program. I want to make sure that while the absence of a fixed address does not preclude food stamp eligibility, neither does it relieve the State of its responsibility to protect against abuse of the Food Stamp Program.

#### WORK INCENTIVES

The second precept of H.R. 5151 is to increase work incentives within the Food Stamp Program. I have mentioned two of them previously. They are the increase in the work expense deduction from 18 to 20 percent of earnings and the increase in the shelter/dependent care deduction from \$125 per month to \$155 per month. The latter increase can enable households containing a working person and a dependent—for example, a child or an elderly parent in need of care—to

pay for these home care expenses covered by this deduction.

The major work incentive contained in this bill is the provision concerning job search. H.R. 5151 authorizes \$50 million per year to provide basic funding for job search programs, including job search training and support activities. This funding will be used with the goal in mind to aid food stamp participants to find and keep jobs. It is my hope that States will design innovative programs—such as job finding clubs, training in techniques of how to find and keep a job and how to interview for a job. The chairman of the subcommittee and I visited such an activity in San Diego, CA, and we were impressed with the quality of the programs there. It was evident to me that some food stamp participants need basic skills training in a short term approach to help them find jobs—jobs in the private sector. H.R. 5151 can provide States with the means to accomplish this.

The job search provision contained in H.R. 5151 also:

First, provides 50-percent Federal match for State job search costs exceeding the \$50 million authorization—including a 50-percent match for the up to \$25 per month work expenses allowed for participants meeting job search requirements;

Second, allow States flexibility in the design of job search requirements, including determining those who would be subject to these requirements—based on the broad category of those now subject to work registration requirements;

Third, requires the Secretary of Agriculture to report to the Congress by April 1, 1987, on these State programs and to measure the success of such participants in getting and keeping jobs; and

Fourth, establishes a disqualification period of 60 days for a household in which a member fails to meet job search requirements. Once these requirements are satisfied the household can be eligible for reinstatement to the Food Stamp Program.

I am pleased this provision of H.R. 5151 will provide States with the necessary flexibility to design required job programs, with the result being jobs for food stamp participants.

#### PROGRAM ACCOUNTABILITY

The third area of H.R. 5151 concerns increases in program accountability. As Members know States carry the responsibility to administer the Food Stamp Program, based on Federal laws and regulations. There are many areas of the Food Stamp Program in which States have limited flexibility. States commonly request more similarity among the various programs aimed at helping poor people. H.R. 5151 provides for one change to accomplish this.

In this bill we simplify the application procedures for the Food Stamp Program by providing for categorical eligibility for all AFDC and SSI households.

This was a recommendation of the President's Task Force, which heard many complaints that the application procedures for the Food Stamp Program were too complex and time consuming. State program administrators argued that initial program complexity, combined with the many changes that have been made subsequently in the program are the reasons why payment error rates are at their present unacceptably high levels.

Under the provisions of the bill, food stamp benefits would still be calculated using food stamp rules. Additionally, language has been included that would ensure that any AFDC and SSI household that loses its eligibility for those programs would not lose its food stamp eligibility without a determination under food stamp rules that the household fails to meet food stamp eligibility standards.

A second part of the increase in program accountability contained in H.R. 5151 concerns the requirement that States request and use the information on unearned income available from the Internal Revenue Service [IRS], typically reported on 1099 forms. This would complement existing requirements for obtaining and using earned income information and further assist States in verifying both recipient income and assets.

Recent experiments with bank matching have indicated that information on unearned income may be a valuable new verification tool. Such unearned income information is best used to identify cases that warrant further investigation and requires State agencies to target this information on those uses that are most likely to identify and prevent ineligibility and improper food stamp benefits.

Protections are included to require independent verification, which would include verification of the actual amount involved and an evaluation of whether the household has access to it, including a determination of when the household has or had access to the income or asset identified.

The final area of program accountability concerns sanctions and State error rates. H.R. 5151 retains the provisions in the act now requiring States to reduce the error rates to 7 percent by 1984 and to 5 percent by 1985. Fiscal sanctions remain unchanged until 1986. Effective with the States' performance for fiscal year 1986 and thereafter, for those States not achieving the 5-percent goal, the penalty will be based on the dollar equivalent of overpayment and payments to ineligible households over and above the 5-percent tolerance level. Collection of the sanction for any fiscal year would

occur only after the actual error rate for the fiscal year is determined after the end of the year. The "dollar-for-dollar," over the 5-percent tolerance level, liability would apply beginning with fiscal year 1986 and will not reduce or be taken from household food stamp benefits.

States not reaching the 5-percent goal will be required to repay the Federal Government in 1987. As I said before, food stamp benefits will not and cannot be reduced to recover States sanctions. I know there are those who are concerned that States may reduce other benefits or services in order to pay food stamp sanctions. Any Governor who would decide to lower benefits or services to the citizens of his or her State in order to recover these repayments based on errors made in the Food Stamp Program will be invited to discuss the reasons before our subcommittee. To me it is unconscionable that such a practice would take place.

We took this action because error rates in the Food Stamp Program, while reduced over the past 2 years, are still excessive. The funding for the program comes mainly from the Federal Treasury with 100 percent of benefit costs and 50 percent of the administrative costs paid by the Federal Government. However, States are responsible for the day-to-day administration of the Food Stamp Program.

I recognize that the efficient operation of the program depends on cooperation between the Federal Government and the States and that multiple program changes over the past years have resulted in a program that has known little stability. Nevertheless, many States have done exceptional jobs in running efficient programs and have achieved significant reductions in the rates of error. Others have not. Whether this diversity relates to States placing higher priorities on the administration of other assistance programs, complexities within a State, or other reasons is not known. What is known is that food stamp error rates are too high—\$900 million over the course of a year was issued to participants who were either ineligible or received too many food stamp benefits.

H.R. 5151 also requires the Secretary to report, on April 1, 1985, to the Congress on, first, the effect that the current law on error rate goals, fiscal sanctions and incentives has had on State food stamp error rates, and second, the statistical methods utilized by the Department to calculate State error rates, including the rational for using these methods.

Please be assured that I am steadfast in my resolve to retain the sanctions in H.R. 5151. However I also want to assure that quality control error rates provide an accurate measure of each State's performance and



one that provides a performance measure comparable to the quality control error rates of the other States.

Also we intend to review the sufficiency of the quality control system as a measure of State performance. Remember, the quality of program administration, especially in terms of client service, cannot be measured in error rates alone. Total measurement of States' performance in administering the Food Stamp Program will be subject to review during this review of the fiscal sanction system.

#### NUTRITION EDUCATION AND MONITORING

The final broad area contained in H.R. 5151 is that of nutrition education and monitoring.

The committee recognized that the effective use of the funds authorized for the Food Stamp Program depends to some degree upon the food choices made by those participating in the program. Therefore we attempted to ensure, to the extent possible, that low-income households have access to programs enabling them to maximize their food dollars and improve their diets. In order to accomplish this, H.R. 5151 authorizes funding to the Department of Agriculture which, through the Extension Service, will make funds available to the State Cooperative Extension Services to expand their food, nutrition, and consumer services for low-income households.

The committee authorizes funding for the Cooperative Extension Services because they operate nutritional education programs, at least one of which—Expanded Food and Nutrition Education Program—is aimed at the population that is most likely to rely on the Food Stamp Program. It is this group that should benefit from the increased services. Since the committee wishes that effective food, nutrition, and consumer education services be extended to the greatest number of low-income persons practicable, H.R. 5151 expands the service of the organization already responsible for reaching this population.

Additionally, the Secretary of Agriculture is required, in conducting the Department of Agriculture's continuing survey of food intakes of individuals and any nationwide food consumption survey, to include a sample that is representative of low-income individuals and, to the extent practicable, the collection of information of food and other household expenditures by such individuals, to the extent practicable, continue to maintain the nutrient data base established by the Department of Agriculture, and encourage research by the public and private sectors on effective standards, methodologies, and technologies for accurate assessment of the nutritional and dietary status of individuals.

Other important provisions of H.R. 5151 include the following:

First, States are required to assess the need to keep food stamp offices open during evening and weekend hours. The President's task force was concerned that the Federal programs tend to discourage people from working and felt programs should be designed so that recipients will generally be better off if they choose to work. If working people cannot easily participate in the program, the work incentives built into the program will be reduced. The work incentives of the program will be more effective if recipients who are employed can have access to the system during nonworking hours.

Second, State agencies are permitted to use a method that allows coupon benefits to be issued over the period of the entire month, as long as benefits are not delayed during any implementation procedure. The President's task force found that States may distribute food stamps any time within the first 14 days of a month. In many areas food stamps are sent out on the first of the month. The task force was concerned with the possibility that such phased delivery of stamps can lead to two problems. First, it may allow merchants in areas where food stamps are commonly used to discriminate against food stamp recipients either by assigning higher markups to perishable goods at the beginning of the month, or by having fewer sales at the beginning of the month. Second, demands on private food assistance programs surge at the end of the month when household budgets tend to run short.

Allowing States to stagger the delivery of food stamps will eliminate the potential for merchants to raise their prices in phase with food stamp deliveries and it will help reduce the demands on private food assistance programs toward the end of the month. Staggering has recently been instituted in a few States and counties. The President's task force recommended that it become nationwide, and H.R. 5151 allows this to occur.

Third, banks and other financial institutions are prohibited from charging retail food stores for the cost of depositing food stamps, as long as the food stamps are submitted to the banks in a manner consistent with Federal Reserve bank requirements. I have been concerned for some time about the growing practice of banks charging retail food stores for the deposit of food stamps. The subcommittee received testimony that the current practice of bank charges could result in charges to food stores of up to \$156 million per year, should all banks charge the highest fee. H.R. 5151 corrects this practice, and with the committee's concern that food stamp participants have access to food stores of their choice, reduces the charge that grocery stores may drop

out of the program because of these bank fees.

Fourth, a pilot food assistance program for the poor is established in rural Alaska for the fiscal years 1986 through 1989. Because of the unique conditions of rural Alaska, in which approximately 2,900 food stamp households are scattered over 500,000 square miles, H.R. 5151 authorizes this pilot program in which noncash food assistance benefits will be provided to needy rural Alaskans. Funding for this pilot program will be based on the level of funding anticipated for 1986 and will cover 100 percent of the benefit costs and 50 percent of the administrative costs of the program. Funding will be adjusted to reflect changes in food prices and participation. The design of the program by the State of Alaska will reflect the needs of the rural participants.

I believe H.R. 5151 is a good bill, one that I hope all Members can enthusiastically support. The chairman of the subcommittee and I worked together on this bill and I wish to thank him for his cooperation. He, as always, has been fair and has attempted to accommodate the minority views whenever possible. We have fashioned a good bill. However, we have agreed to disagree on two areas—monthly reporting and retrospective budgeting and the threshold value of a car. Amendments will be offered that will, I believe, improve H.R. 5151 and save almost \$200 million over a 3-year period.

I also wish to thank the ranking minority member of the committee, the gentleman from Illinois, [Mr. MANDIGAN]. His guidance has been invaluable.

I urge all Members to support this bill. It is one that increases food stamp benefits, strengthens work incentives, improves program accountability, and provides additional nutrition education for low-income families.

Mr. DE LA GARZA. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas [Mr. LELAND], the chairman of the Select Committee on Hunger.

Mr. LELAND. Mr. Chairman, I would like to commend the gentleman from California [Mr. PANETTA] for his undying concern about the problem of hunger and malnutrition in America. Under his leadership this Congress has been ever aware of the very increasing problems of hunger and has brought to this body today a solution to the various and sundry problems that we realize.

I would like to also commend the gentleman from Missouri [Mr. EMERSON] for his diligence and his work in cooperating and working with and in joining with the gentleman from California [Mr. PANETTA] in bringing this matter to the Congress, because,

indeed, it represents an opportunity for all of us.

Mr. Chairman, I rise in support of the Hunger Relief Act of 1984. Earlier this year, I joined over 60 of our colleagues in sponsoring H.R. 5151. My endorsement of this bill was prompted by my conviction that the unacceptably high rate of poverty-related hunger in this country demanded a response.

I chair the House Select Committee on Hunger. Last month we conducted hearings in Greenwood, MI, on the issue of the effectiveness and accessibility of Federal food programs. On Monday of this week, we conducted similar hearings in San Francisco. Statements from our witnesses repeatedly told of households running out of food stamp benefits before the end of the month. We heard over and over again about the growing numbers of people visiting food pantries and soup kitchens because their food stamp allotments for the month did not last and there was not enough food left in the house to prepare decent, nutritious meals. These people are hurting.

The Congressional Budget Office has reported that between fiscal years 1982 and 1985, the Food Stamp Program has been reduced by roughly \$7 billion. I would like to focus for a moment on who is participating in this program and who is affected by benefit reductions.

A study released by the U.S. Department of Agriculture just last month—"Characteristics of Food Stamp Households: August 1982"—reported that 95 percent of the households participating in the Food Stamp Program had gross incomes below the poverty line; 42 percent of the participating households had gross incomes below one-half of the poverty line. More than 47 percent of all participants in the program were children, and close to 8 percent of the participants were elderly.

These are vulnerable groups of people who are reliant upon food stamp benefits to augment their food buying power and improve their nutritional status.

Much has been said about the allegedly large sums being spent on food stamps. Too little has been said about unmet needs. For example, the number of persons who fell into poverty between 1981 and 1982 was 2,576,000; yet, the food stamp benefit rolls increased by only 134,000.

I believe that the bill before us today is one small step in providing badly needed help to people in poverty who need support in improving their nutritional status. It is not a cure-all for hunger problems in our Nation, but it is a vital first step. It does demonstrate that this body is serious about moving forward with efforts to alleviate hunger here at home.

Mr. Chairman, I feel that we should confirm our commitment to improving the availability of nutritious food to those who live in poverty. Benefit restorations embodied in H.R. 5151 will enable us to do so. I am going to support this bill and I encourage my colleagues who are serious about increasing inadequate food stamp benefits for those who live in poverty to join me.

Mr. EMERSON. Mr. Chairman, I yield 6 minutes to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA], the ranking minority member of the Select Committee on Hunger.

Mrs. ROUKEMA. Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. As the ranking minority member of the Select Committee on Hunger, I am pleased to be able to add my voice in support of a bill which makes a contribution toward solving the problem of hunger in this country.

First, I would like to commend my colleagues on the Agriculture Committee who have done an outstanding job in developing the provisions of this truly bipartisan bill. Members on both sides of the aisle can be proud of this bill. I wish to thank the chairman of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, LEON PANETTA, and the ranking minority member, BILL EMERSON, for their efforts in bringing this bill to the floor. We all serve together on the Select Committee on Hunger, and I know how committed they are to promoting policies which will alleviate the problems of hunger and malnutrition. Over the course of 16 months their subcommittee held hearings across the country to determine the extent of the hunger problem and to gather extensive evidence. This legislation makes many constructive changes in the Food Stamp Program, the major food assistance program for the low income, elderly and disabled population of our country.

As we consider this bill, we do so mindful of the paradox that exists in this country—the overabundance of our Nation's resources and our oversupply, as contrasted to the fact that there are people in the United States who suffer from hunger. This "paradox of hunger," as I refer to it, is a situation which continues to elude and frustrate us. Surely, as we stand here today to consider how we can make food available through the Food Stamp Program, we must ask, why in fact we should even have hungry people at all?

The Hunger Relief Act of 1984 addresses a fact that we as legislators cannot avoid or deny. There are hungry people in the United States, people who do not have adequate diets and need Government assistance of some kind in order to get a decent meal. Americans are now feeling

better about themselves and their prospects for the future. We have recovered from a recession, employment is up, and inflation is down. However, the stark fact remains that 21 million people in this country utilize the Food Stamp Program to meet their daily nutritional needs, and participation in this program to date does not reflect these changes in the economy. In short, about 1 out of every 10 Americans depend in some way on this program.

I speak with first hand knowledge about the importance of this program because of the work which our select committee has done thus far in examining the overall problems of hunger here at home and abroad. We have now visited two vastly different places in this country. Greenwood, MS, and San Francisco, CA, observing the problems of hunger from both a rural and an urban perspective. In each of these cities the need for the Food Stamp Program was forcefully made clear to us. We heard how this program has become a necessity of daily life of many Americans, who rely on them to provide the basics. We were also made aware of their importance when they run out before the end of the month.

This widespread reliance on the Food Stamp Program should also be viewed in the context of economic changes that have taken place in this country. It is clear that increasing numbers of people are taking advantage of private food assistance programs, many of whom are part of a group that has been called the "New Poor." On our trip to San Francisco just a few days ago, we heard from the two large church feeding programs how much an increase there had been in the numbers of people coming for meals. A 1983 GAO report had this to say about the changing types of Americans who now seek food assistance:

No longer are food centers serving only their traditional clientele of the chronically poor, derelicts, alcoholics, and mentally ill persons who typically live on the streets and who most probably will be in need no matter what happens in the economy. Today, many organizations report that a mounting number of "new poor" are contributing to the increasing numbers seeking assistance at many emergency shelters and food centers. This breed of "new poor" is made up of individuals who were employed and perhaps financially stable just a short time ago.

Clearly, the benefits of the Food Stamp Program do reach beyond traditional recipients. In fact, the Food Stamp Program is really this country's major line of defense in the effort to combat hunger and malnutrition for Americans. This point was made in the report of the President's task force on food assistance, many of whose recommendations for program changes are adopted in this bill.



This bill increases the accessibility and adequacy of food benefits, as recommended by the President's task force. It affirms that the homeless may receive benefits if they are otherwise eligible; bases food benefits on 100 percent of the USDA's minimally adequate diet, the thrifty food plan, rather than 99 percent as under current law; and updates monetary limitations to reflect current prices. These provisions will ensure that those who are needy will receive the benefits to which they are entitled.

We should also consider the fiscal aspects of this bill. I point out that the House-passed budget resolution, House Concurrent Resolution 280, allows for the new spending authority contained in H.R. 5151. Quite apart from humanitarian considerations, the long-term costs of hunger, such as increased health-care costs and loss of productivity, far exceed the costs of this legislation.

There are other aspects of H.R. 5151 which deserve mention. Program accountability and administration will also be improved by this legislation. In order to ensure that Federal dollars are not lost to fraud, waste, and abuse, the penalties on States with overpayment error rates in excess of 5 percent will be increased and States will be required to utilize information from the IRS on the unearned income of food stamp recipients. The increased penalties for State error rates will save over \$200 million during fiscal years 1987-89, and the use of IRS information will save almost another \$200 million during fiscal years 1986-89. Administration of the program will be improved by providing categorical eligibility for SSI and AFDC recipients. States will save on administrative expenses by not having to certify those recipients twice—once for the SSI or AFDC programs and once for food stamps.

H.R. 5151 also increases work incentives for Food Stamp Program recipients in a number of its provisions. It raises the amount of earned income from 18- to 20-percent deducted from a household's income when determining eligibility and benefits. This ensures that the working poor do not lose benefits to which they are entitled because they are employed. In addition, it clarifies that States must operate Job search programs and provides greater flexibility and funding to States to assure they have more effective job search programs. Furthermore, it increases the deduction that certain working households can take to cover child care expenses which will help working parents. Another provision requires States to evaluate the need for evening and weekend hours at food stamp offices so that working beneficiaries need not take time off from work in order to apply for benefits.

Nutrition education and hunger surveillance will also be improved by H.R. 5151. It will provide \$30 million during fiscal years 1985-88 to State cooperative extension services to increase nutrition education activities for low-income households. This will help low-income households get more nutrition per food dollar. Another provision will require USDA, out of current funding levels, to survey a representative sample of low-income households in conducting various food consumption surveys. We do need more data on the population served by Federal food programs.

It is clear that passage of H.R. 5151 will contribute greatly to our efforts to eliminate hunger in the United States. Therefore, I urge my colleagues to vote for the Hunger Relief Act of 1984.

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Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I rise today in hearty support of H.R. 5151, the Hunger Relief Act of 1984. This bill, reported out of the Agriculture Committee with bipartisan support is a responsive yet reasonable approach to reducing hunger in our country.

During the past few years, Congress has been deeply concerned by the increased accounts of hunger within the United States. This increase has been, in part, due to the recent recession and high unemployment. But more than that, it is a result of changes and cuts in our Federal hunger and nutrition programs called for by the current administration.

In the 1960's, America declared the elimination of hunger a top priority. With the development of food assistance programs we made good progress. Accounts and occurrences of nutrition related diseases dropped across the country. However, the United States has lost ground in this battle in the 1980's.

The budget reductions which have occurred in our food assistance programs over the past few years have come at an inopportune time. In my congressional district in California, the unemployment rate in 1983 was over 10 percent; the average unemployment rate for the first half of 1984 was over 9 percent. Many of these people are "newly unemployed," having lost their work due to plant closings and the changing workplace. This winter, the Kaiser Steel plant in Fontana, which in its prime had employed close to 6,000 workers, closed its doors. This is just one example of responsible and hard working citizens who through no fault of their own must find new employment. This has not been an easy task, and many are

finding it difficult to put food on the table while seeking new employment.

It is time that Congress reaffirm the high priority we have placed on reducing hunger by taking action. H.R. 5151 does just that. This legislation represents a carefully developed bipartisan compromise, consistent with the spending targets in the House-passed budget resolution for fiscal year 1985, while addressing areas and programs identified as those most needing attention. This legislative proposal incorporates many of the recommendations developed by the President's Task Force on Food Assistance and recommendations from other hunger related organizations. H.R. 5151 improves our programs in four basic areas.

This legislation would increase work incentives by restoring the deduction allowed for earned income from 18 to 20 percent, clarifying that States must operate job search programs, providing greater flexibility and funding to States to encourage more effective job search programs, and increasing the deduction that certain households can take to cover child care expenses. Adequacy and accessibility of food benefits would be improved by basing food stamp benefits more closely on the full cost of the thrifty food plan, increasing the deduction allowed for those with excessive shelter costs, and updating the assets limitations to reflect inflation. Other provisions include expanding special treatment afforded disabled persons in the Food Stamp Program, expanding commodity assistance to certain low-income elderly persons, and allowing the homeless to receive food stamp benefits.

This legislation would improve program administration and accountability by requiring States to use information from the Internal Revenue Service [IRS] on unearned income of food stamp recipients, providing categorical eligibility for Aid to Families with Dependent Children [AFDC] and Supplemental Security Income [SSI] recipients, and increasing the penalties assessed on States with overpayment error rates in excess of 5 percent. Finally, this bill would improve nutrition education and hunger surveillance by providing funds to State cooperative extension offices to increase nutrition education activities for low income households, and by requiring the Department of Agriculture [USDA] to survey a representative sample of low income households when conducting various food consumption surveys.

One method Congress has taken to reduce the cost of our food assistance programs in recent years has been to tighten eligibility requirements. Many of the country's new hungry are those who lost their jobs during the recent recession. This new subgroup has exhausted their unemployment benefits, but have been unable to find new jobs

due to the changing job market. Often they have little or no income, but have too many assets to be eligible for Government assistance. I understand that my colleague from California, Mr. PANETTA, will be introducing an amendment which would set the value of certain automobiles which may be excluded from house hold assets in determining eligibility at \$4,500 for April 1985, increasing the allowable value to \$5,500 by 1987. I urge my colleagues to support this amendment.

Mr. Chairman, we are all aware of the unemployment and resulting difficulties that many in our districts face. We can no longer continue to reduce eligibility limits and cut food programs, and expect our Federal hunger programs to represent a solid safety net. We must mend some of the holes which we have worn in this net in recent years. H.R. 5151 is a reasonable and respected bipartisan compromise. I encourage my colleagues on both sides of the aisle to carefully consider this legislation and oppose any amendment which would reduce its effectiveness.

Mr. Chairman, I would like to make one other comment about a related matter. Congress has before it in both the Agriculture Committee and the Committee on Science and Technology another piece of legislation which would seek to make similar improvements in our nutrition, research, and monitoring programs.

The subcommittee of the Science Committee, on which I sit, reported that bill out earlier this week. It is my belief that the Committee on Agriculture would take similar action. It is a possibility that we can bring this legislation to the floor in the near future.

That bill, aimed at focusing our nutrition research and monitoring efforts more effectively would be an important complement to the bill that we are considering today and at such time as it may be brought to the floor, I would commend it to the attention of my colleagues.

Mr. EMERSON. Mr. Chairman, may I inquire how much time I have remaining?

Mr. CHAIRMAN. The gentleman is advised that he has 8 minutes remaining.

Mr. EMERSON. Mr. Chairman, I yield 4 minutes to the gentleman from Vermont [Mr. JEFFORDS].

Mr. DE LA GARZA. I yield 1 minute to the gentleman from Vermont [Mr. JEFFORDS].

The CHAIRMAN. The gentleman from Vermont [Mr. JEFFORDS] is recognized for 5 minutes.

Mr. JEFFORDS. Mr. Chairman, I thank the committee chairman and the ranking member.

Mr. Chairman, I rise in strong support of H.R. 5151.

Two years ago, when we began the 98th session, we did so concerned

about the hunger in our land. We spoke of doing something to alleviate that hunger, which is nothing short of a national disgrace in our land of plenty.

Now is the time to deliver something more than words. Let's give our overwhelming approval to this legislation. Let's go home to our constituents, at this, almost the close of the 98th session, and tell them that we have done more about this issue than just talk, that we have acted to make sure that the truly needy do not go hungry.

We may not have acted quickly, but we have acted deliberately. The chairman and ranking Republican on the Nutrition Subcommittee, Mr. PANETTA and Mr. EMERSON, have done a thorough job on this bill. I do not agree with all they have done, but I cannot fault the thoughtful and deliberate fashion in which they have approached this issue and crafted this legislation.

There are a vast array of proposals for improving the food stamp program. The subcommittee and committee has sifted through these proposals in an effort to target aid where it is needed most. I am pleased that this bill incorporates several recommendations of the President's Task Force on Food Assistance.

For example, the bill adopts the task force's recommendation to raise the limit on the allowable value of an automobile, from the current \$4,500, set in 1977, to \$5,500. I want to point out to my colleagues that this figure is the fair market value of the car and not the equity value. In other words, we are not necessarily talking about an asset that can be liquidated to purchase food, either financially or practically.

There will be a lot of horror stories told about cars. But they are not typical. A poor family will not go out and buy a high-priced car. It cannot afford one, and could not finance one. The families who will benefit by this provision will be those who have recently lost their jobs and income, and are now forced to rely on food stamps. It strikes me as counterproductive to force these people to sell their automobiles, perhaps at a loss, thus depriving them of a means of finding work and resulting in no gain to the Federal Government.

The bill also makes reforms not contained in the task force's recommendations, but equally, if not more, important. The program's work incentives, shelter deduction, and State administrative flexibility are greatly improved. And the bill's nutritional monitoring may give us the information we need to further refine and coordinate our efforts.

Make no mistake about it, the Food Stamp Program is the backbone of our Federal feeding efforts. It is supplemented by special feeding programs

and commodity distribution, but the latter especially is an imperfect and uncertain means of meeting Americans' nutritional needs. A tremendous amount of commodities have been distributed recently, but we neither can nor should count on this distribution to take the place of food stamps. Government stocks of surplus dairy products are declining, and will very likely be in short supply in a year's time. Given the likely decrease in the distribution of cheese, butter, and powdered milk, I think it is especially appropriate that we should be moving forward with this legislation at this time.

Mr. Chairman, my colleagues may have received a letter from the Office of Management and Budget which raises a number of questions about this bill. The criticisms outlined in this letter are unfounded. H.R. 5151 is not "a substantial retreat from toward the status quo ante of 1980," nor does it "reverse the 1981 Gramm-Latta Reconciliation Act reforms." It is a modest bill, which makes some significant reforms but all with an eye toward the budget.

The facts about the bill are as follows:

In dollar terms, the bill restores only about one-seventh of the large reductions made in the Food Stamp Program in 1981 and 1982. The Congressional Budget Office has estimated that legislative action in 1981 and 1982 reduced fiscal year 1985 food stamp spending by \$2.06 billion. This bill raises fiscal year 1985 food stamp spending by \$305 million—leaving over 85 percent of the original savings still in place.

Most of the major provisions in the bill come from the President's own Task Force on Food Assistance. The task force reported in January that it found hunger to be a "real and significant problem throughout our Nation." The task force recommended a number of modest food stamp increases to deal with this important problem. Those recommendations form the core of this bill.

In no way does this bill open the door to fraud, abuse, or error. Not a single one of the numerous antifraud or antiabuse provisions passed in 1979, 1980, 1981, or 1982 is repealed in this bill. In fact, the bill contains further toughening measures—substantially increasing fiscal penalties in States with error rates over 5 percent and tightening job search requirements.

The Office of Management and Budget has made several claims which I believe merit some clarification.

First, it has stated that the bill "would direct benefit increases to the highest income program beneficiaries."

This is not correct. The overwhelming bulk of the benefit increases would go to families living in poverty.



Just last month, USDA issued the results of a national food stamp survey which found that 95 percent of all food stamp households have gross incomes below the poverty line. The survey found that only 5 percent of recipients are above the poverty line and that they receive only 2 percent of program benefits. The facts are that no "high income" beneficiaries are left in the program. Households with gross incomes above 130 percent of the poverty line and net incomes above 100 percent of the poverty line are ineligible—such households were terminated under Gramm-Latta provisions that were enacted in 1981 and that are not changed or repealed by this bill.

The increased benefits in this bill come from provisions that are aimed to help poor families make it through the month without running out of food. The bill does not aid high income families or allow them into the program.

The OMB letter specifically claims that a provision to raise the earned income disregard from 18 percent to 20 percent of earnings expands benefits for "the highest income beneficiaries." In fact, this provision provides a very modest increase for all low income working families on the program, a group that was disproportionately affected by the 1981 changes and that is by and large quite poor. The survey USDA issued last month showed that working families on food stamps have average gross incomes of just \$6,500 a year—for an average family of 3.7 persons. This is several thousand dollars below the poverty line for families of three or four persons. Even for households at the poverty line, this provision provides a benefit increase of just \$5 a month, hardly an overgenerous windfall.

The OMB letter also mistakenly states that the work expenses of poor families have not risen—as a percentage of income—in recent years. A report issued by the Joint Committee on Taxation in April, however, shows that Federal tax burdens for families at the poverty line have more than doubled over the last 6 years as a percentage of income. This is one of the reasons this provision is needed.

Second, OMB argues that the bill increases the food stamp program's asset limit to a point higher than in most other public assistance programs.

In fact, \$2,250 is the assets limit in SSI, a fact noted by the President's task force when it called on the administration and the Congress to raise the limit to \$2,250 in food stamps as well. Food stamps has many households of four or more persons—and should not have lower assets limit for such households than SSI has for a household of two.

In recommending that the current food stamp assets limit be raised, the President's Task Force noted that the

current limit had been set in 1971 and never adjusted since despite inflation. The task force also found that legitimately needy households—particularly the unemployed—were being kept out of the program because the current limits had been eroded by inflation and were now too low. The increase recommended by the task force—and reflected in H.R. 5151—offsets less than one-third of the impact of inflation since 1971.

Third, OMB alleges that the bill would eliminate retrospective accounting and monthly reporting. This, too, is not correct. In 1981, Congress mandated that all States utilize monthly reporting and retrospective budgeting systems in the hopes this would reduce errors in the program. Since 1981, results from four major federally funded demonstration projects on monthly reporting and retrospective budgeting have become available. The result of these projects—which HHS and USDA spend some millions of dollars to conduct—show that contrary to earlier hopes, these systems do not save money and do not reduce errors but but do increase paperwork and administrative costs and do adversely affect some needy recipients. Over 30 States have asked the Congress to make use of these systems a State option rather than a mandatory Federal requirement, so that States can use the systems where they would be cost-effective, but dispense with them where they would not be.

H.R. 5151 adopts the States' suggestion. It does not eliminate use of monthly reporting and retrospective budgeting. Rather, it makes use of these systems a State option. Since other provisions of the bill would increase penalties on States for errors over 5 percent, the combined effect would be to intensify pressure on States to reduce error rates while giving them more flexibility to find the most effective management mechanisms to get the error rates down.

Fourth, OMB argues that the food stamp program has grown and adequately serves those in need. It points out that benefit payments rose 43 percent from 1980 to 1983.

Regarding the increase in benefit costs, OMB fails to say that all of the increase was due to inflation and unemployment. Unemployment averaged 6.8 percent in 1980 but soared to 10.1 percent in 1983. USDA itself noted last year that each 1 percent in unemployment adds 1 million persons to the program. In addition, Bureau of Labor Statistics data show that food prices were 15 percent higher in 1983 than in 1980. This accounts for the increase from 1980 to 1983.

Moreover, since 1983, food stamp costs have fallen. Costs in 1984 are several hundred million below 1983 levels—and OMB and CBO project that costs will drop further in 1985.

Finally, a major CBO study last year found that when inflation and unemployment are taken into account, food stamp spending has actually been reduced. CBO estimates that the cuts resulting from the 1981 and 1982 budget reductions amount to \$2 billion in fiscal year 1984 and to \$2.1 billion in fiscal year 1985.

Fifth, OMB points out that the program rose from \$550 million a year in fiscal 1970 to \$8.7 billion in fiscal year 1980, due to a fivefold expansion in eligibility.

In fact, income limits were lowered in 1977 and 1980, and national eligibility limits were actually more restrictive in 1980 than in 1970. The "fivefold expansion in eligibility" simply never occurred. Program costs did grow significantly, but this was for other reasons:

Food stamps was not yet a national program in 1970. Over 1,300 counties had no program in 1970—they all had instituted a program by 1980. In addition, Puerto Rico was not in the program in 1970, but had a very large program by 1980, Puerto Rico was subsequently removed from the program in 1982.

Food prices more than doubled from 1970 to 1980.

Unemployment rose in 1980 and was well above 1970 levels.

AFDC households (which constitute 40 percent of the food stamp caseload) were poorer in 1980 than in 1970 and consequently qualified for higher food stamp benefits. Both HHS and the Congressional Research Service have reported that AFDC benefits, adjusted for inflation, fell nearly 30 percent from 1970 to 1980.

And finally, OMB claims that while food price inflation rose by only 15 percent (from 1980 to 1983), average food stamp benefits per person rose by 25 percent.

This is misleading. The fact is that no families had their benefits raised more than inflation. Nearly all households in the program actually had their benefits reduced to some degree by legislative actions taken in 1981 and 1982.

It is true that average household benefits went up faster than inflation—although OMB conveniently stops its comparison in 1983. By mid-1984, inflation had almost caught up with average food stamp benefits. But this was not because of any food stamp benefit increases—rather it was simply because food stamp households became much poorer from 1980 to 1983 and therefore qualified for larger benefits, on average. USDA's own food stamp surveys show that the income of food stamp households dropped significantly during this period, after adjusting for inflation. Just from 1980 to 1982, the proportion of food stamp households with incomes below half

the poverty line rose from 49 to 59 percent. Part of this was due to budget cuts in other programs such as AFDC. These reductions lowered households' incomes and thereby pushed up their food stamp allotments. However, since every \$10 lost in another program resulted in only a \$3 increase in food stamps, these households still ended up poorer—and, in many cases, with less total resources for food. The increase in average food stamp benefits masks this fact of increased hardship.

In addition, the 1981 budget cuts eliminated from the food stamp program households with gross incomes over 130 percent of the poverty line. Since these households received smaller-than-average benefits, their removal from the program made the average benefit go up. This statistical change in the average benefit did not bring with it any actual increases in benefits for poorer households, however.

Mr. Chairman, this is a good bill. I ask my colleagues, on both sides of the aisle, to give it their overwhelming support.

Mr. TRAXLER. Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. I want to compliment the gentleman from California, the distinguished chairman of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, Mr. PANETTA, for both introducing the bill and bringing it before the House in such a prompt and caring manner. I also want to thank Chairman DE LA GARZA and Mr. EMERSON, ranking Republican on the subcommittee.

This bill is not a giveaway, nor is it a waste of limited Federal dollars. It is merely a recognition of the fact of inflation.

I want to take a few moments to speak with my colleagues about a provision of this bill. Section 114 of this bill authorizes local agencies administering the Commodity Supplemental Food Program, at their discretion, to provide supplemental commodities to low-income elderly persons who may be eligible for such assistance. This provision is the culmination of efforts that have stretched over the past 4 years to provide nutritious food packages to senior citizens who are in need of assistance. The food assistance goes to senior citizens who are finding it difficult to obtain an adequate diet given their own economic condition, and the frustrations that they find with the existing structure of assistance programs. But even more importantly, this program, will provide a food package designed for the nutrition needs of senior citizens, with recognition for special dietary concerns, something no other feeding program does.

As part of the 1981 farm bill, the House Agriculture Committee was good enough to authorize the estab-

lishment of pilot sites for this program. The original sites were Detroit, MI, and Des Moines, IA. The list was later expanded to include New Orleans, LA.

These pilot sites have operated for 2 years now, and the response has been fantastic. Many participants who were interviewed about their experiences with the program, thought that it was among the best things that had ever happened to them. They found that it provided them with a better sense of self-sufficiency. While socialization is important for all of us, we all must remember that there are times when we all like to be in our own homes with a wholesome meal, especially on those days when weather and transportation make it most difficult for people to get to congregate meal sites, or to make the multiple trips necessary to get food stamps and then to get the food.

This program has operated at the lowest cost level of any Federal feeding program. The pilot sites are currently operating it at a little over \$10 per person per month. There are over 12,000 people on the waiting list of the Detroit program. New Orleans has increased the size of its program dramatically in recent months.

Mr. Chairman, we are trying to help people who are probably unable to help themselves. Let me describe some of the people served by this program: five out of six people on the program are women; one-third of the participants are age 75 or older; 40 percent are on food stamps; 34 percent are on Medicaid; 60 percent live alone; 60 percent are on Social Security; 18 percent are on both Social Security and SSI; 75 percent have a monthly income of less than \$400; 55 percent suffer from high blood pressure; 66 percent have arthritis; 37 percent have heart disease; and 22 percent have diabetes.

Certainly this group is not one which can claim an easy life.

Section 114 in this bill addresses this problem in a compassionate, tested, and accepted way. The food items purchased using USDA's bulk buying power will help needy people in a way they accept.

The fiscal 1985 agricultural appropriations bill adopted by the House well over 1 month ago provides some funds which would allow for a modest expansion of the senior citizen program, although at the time of our action, all we could do was safeguard the continued availability of this program for Detroit, Des Moines, and New Orleans, so that no senior citizen who is being served on September 30 need to worry about the program being discontinued on October 1. USDA told us at our hearings that these three cities could continue to operate so long as their funding lasted, and we provided more funds for these programs to continue.

Mr. Chairman, I know that there is no comparable provision in the bill currently in the other body. I know that USDA officials are not supportive of this program because they flatly refuse to consider new programs, unless they are consolidations of existing programs. The fact is that the current mix of programs, for whatever reason, is not providing sufficient assistance for a critical portion of our needy population. These people cannot afford to wait for us to make up our minds about how to reinvent the wheel. They need food now. I do not want to be melodramatic about it, but in the experience of one of the pilot program operators, Focus: HOPE in Detroit, MI, when they call to let someone on the waiting list know that a space is available, they sometimes learn that the person died while waiting to hear.

I urge my colleagues to support this bill, and the ability of senior citizens to obtain nutritious food packages as part of the Commodity Supplemental Food Program.

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Mr. EMERSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the Hunger Relief Act of 1984. I ask unanimous consent to revise and extend my remarks.

In response to rising concern about hunger in America, President Reagan, the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, and various organizations initiated studies on its extent. Each one of the reports reflect that the problem of hunger is real, and action needs to be taken. I commend the subcommittee for taking the data and recommendations from these reports and incorporating them into the Hunger Relief Act. Most of the provisions in the bill are either specific recommendations of, or address concerns raised by, the President's Task Force on Food Assistance.

The bill would care for the hungry by increasing accessibility to food benefits. At the same time, it would increase work incentives to encourage food stamp recipients to become participants in the economic recovery. It would continue the fight against fraud and abuse by increasing program accountability. It would help recipients use their benefits more efficiently by increasing nutrition education. The bill also addresses the unique difficulties Alaska has in administering the Food Stamp Program in its rural areas.

We have a moral obligation to help alleviate the problem of hunger and we have the responsibility to keep



spending within budget constraints. The estimated cost of the bill is within spending targets established by the House-passed budget resolution for fiscal year 1985.

In my district, the State of Alaska, hunger in the remote areas is compounded by the fact that the current Food Stamp Program is not effectively helping the needy. Alaska has constantly struggled with the administration of the Food Stamp Program because unique geographical, cultural, and language and cost-of-living differences make it almost inoperable in the rural areas. The 9,040 food stamp recipients in rural Alaska are scattered throughout 200 remote villages contained in an area equivalent to the combined areas of California, Texas, New York, Maryland, and West Virginia. Most of these villages are accessible only by air or water. There are nearly 20 unrecorded languages as well as vast cultural differences between Eskimos, Indians, and Aleuts.

Because of these situations, the household definition, monthly reporting, and retrospective budgeting are difficult to apply in rural Alaska. The current definition of household assumes a nuclear family living together year round. However, the reality of life in most of the remote Alaska villages is communal living with families dispersing or migrating for seasonal hunting and fishing. Monthly reporting and retrospective budgeting requirements are difficult to adhere to due to uncertain mail service, transportation difficulties, and language differences.

Typically, we associate shelter costs in rural areas to be lower than those in urban areas. This is not the case in rural Alaska where housing is limited and utility costs are extremely high. Similarly, the cost of vehicles in rural Alaska are far higher than the cost in more accessible areas. The current cost ceiling on shelter and the inclusion of vehicles, snow machines, and boats—all of which are used primarily for subsistence activities—in resource determination, are extremely detrimental to rural Alaska food stamp households. This bill recognizes and addresses the incompatibility of Alaska's unique circumstances and current Food Stamp Program requirements through the inclusion of the Rural Alaska Nutritional Assistance Program in this bill.

The Rural Alaska Nutritional Assistance Program is designed to allow the State maximum flexibility in administering the program to rural Alaska food stamp recipients. Under the bill, the State of Alaska would develop a plan to administer the program tailoring program requirements and benefits to cultural, geographical, language, and cost-of-living differentials.

The bill is designed as a no-cost bill. Alaska would be provided from funds

authorized for the Food Stamp Program a funding amount equal to the amount that would have been spent by the Department of Agriculture for operation of the Food Stamp Program in rural Alaska. The limited funding that the State will receive will insure efficient operation of the program without the need for excess regulation.

The bill states that the program meet "such reasonable requirements as the Secretary must, by regulation, prescribe for the purpose of assuring that assistance is provided to needy persons in the rural areas of the State." For the success of the program, it is intended that the current food stamp requirements cited previously the household definition, monthly reporting and retrospective budgeting procedures, the shelter cost ceiling, and what must be included in resource determination—not be required.

The Secretary shall approve or disapprove the State plan and oversee the accounting and the security of the program. In the event the Secretary disapproves the plan or the implementation of a plan, he can deny or withhold payments. Denial and withholding should be used as a last resort and only until the State complies. Denial should be used when there are major violations and withholding for lesser violations.

The flexibility afforded to the State of Alaska through this pilot project, will result in better service to Alaska's needy in rural Alaska.

Again, I commend the work of my colleagues on the subcommittee for their dedication to addressing the problem of hunger in America. The bill is a carefully drafted bipartisan compromise, one which we can all support.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to conclude the debate this morning, I cannot express enough appreciation to the chairman of the subcommittee, the gentleman from California [Mr. PANETTA], the gentleman from Missouri [Mr. EMERSON], the ranking member, and the members of the subcommittee for the diligence, and the dedicated responsible and yet compassionate way in which they have addressed this issue.

I think that we bring to the House, as hopefully the House will agree, and as is the norm for our Committee on Agriculture, responsible legislation with as much bipartisan support as is possible and, yet, with respect for individual philosophy and individual concerns. We have worked diligently to bring this legislation to the floor.

As we proceed next week, I would hope that we will receive the support of the House.

I would like to make one point, Mr. Chairman, as we deal with hunger,

malnutrition, with scarcity, with lack of nutrition for many of our citizens—it never has been the fault of the farmer. It is not because of any fault of the producers in the United States of America. The food has been there.

The problem has been unemployment, underemployment, perhaps transportation, and distribution. But never the fault of the farmer. The people of the United States have the best quality food, for the lowest amount of disposable income per family, of any people in the world. The major problem is low income for many people or underemployment. But any hunger that exists is not the fault of the farmer who, by and large, produces—unfortunately, more often than not—at a return that is below what it costs him to produce.

So we are addressing an issue that is not in any way the fault of the farmer. It is due to something that went wrong in some other area.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the distinguished gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. I thank the distinguished chairman of the Committee on Agriculture for yielding.

Mr. Chairman, I just take this time to rise in strong support of this legislation and to compliment the chairman of the full committee, the chairman of the subcommittee, and the subcommittee leadership on the other side of the aisle in bringing this legislation to the floor.

I hope and expect that it will have overwhelming support from the membership.

● Mr. CHAPPIE. Mr. Chairman, I signed the supplemental views in the report accompanying H.R. 5151 for the reason, among others, that it expresses the hope that the costs of this bill can be reduced during its consideration on the floor and that refers to a commitment made by the chairman of the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition that " \* \* \* the spending levels set by the first concurrent budget resolution, yet to be adopted by the Congress, would not be exceeded by the cost of H.R. 5151."

With respect to the opportunities for cutting the costs of this bill, I am on record as supporting amendments offered in full committee by my colleagues, Mr. COLEMAN and Mr. EMERSON that in my opinion would have made this bill more acceptable to those of us in this body concerned about the size of the Federal Government deficits this Nation faces in fiscal years 1985 through 1987.

I commend my colleagues on the committee who expended considerable effort to reduce the costs of this bill from those estimated for the Food

Stamp Program portions of the bill at the time of its introduction. It was substantially improved in committee, but there are further opportunities for improving on the costs of this bill that I urge my colleagues in the House to support when they are offered on the floor today.

Turning next to the commitment not to exceed the spending levels set by the first concurrent budget resolution this issue has caused me some concern because of what I perceive as some ambiguity as it appeared to me based upon my reading of House Report No. 98-645 (Part 1, pp. 29-30) accompanying House Concurrent Resolution 282, the first concurrent resolution on the budget—fiscal year 1985.

It is noted that on page 29 of such report (H. Rept. No. 98-645, Part 1) there is created what has been referred to by some as a "pay-as-you-go pool" to provide real increases in domestic spending in fiscal years 1985 through 1987:

Although overall spending limits are necessary to achieve steady deficit reduction, there are some high priority Federal responsibilities which will require increases above the 3.5 percent limit. The recommendation therefore, allows a real increase for certain low-income programs, such as nutrition, food stamps, health, training, higher education for needy students including historically black colleges, and elementary and secondary education programs for handicapped and disadvantaged students. This would add \$2.85 billion over three years to the non-defense discretionary program category. This addition results in a net savings in non-defense discretionary programs of \$4.60 billion over three years.

The recommendation assumes a pay-as-you-go amendment which includes financing the real increases for these programs through an offsetting revenue increase.

The total amounts available for non-defense discretionary programs under the recommendation will be available for the Appropriations Committee to allocate among the individual non-defense discretionary programs.

Meanwhile, the Food Stamp Act of 1977 and the Agriculture and Food Act of 1981 capped Food Stamp Program authorizations for a number of years and it is assumed that the language in the Budget Committee Report (H. Rept. No. 98-645, Part 1, page 30) listing the Food Stamp Program as one of the fully funded entitlements was inadvertent and in error.

I would urge my colleagues in the House to insure during the consideration of H.R. 5151 on the floor that the additional costs provided in the bill continue to come within the capped authorizations and be scored as discretionary spending and that the spending limitations for fiscal years 1985 through 1987 comply strictly with the first concurrent budget resolution for fiscal year 1985 adopted by the Congress.

Having referred to the Food Stamp Act of 1977, I should caution my colleagues in the House that in June of

1977 the report (H. Rept. No. 95-464) accompanying H.R. 7940 hailed that bill, that ultimately went to conference and became law, as the reform solution to the Food Stamp Program for the foreseeable future:

The new Administration gave very high priority to food stamp reform, and early in this session the Administration forwarded a proposed bill to the Congress. The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition promptly held hearings and reported an improved and strengthened bill to the full Committee. The full Committee has now completed action on the most comprehensive reform of the food stamp program since its inception as a pilot program in 1961.

#### A. REFORM OBJECTIVES

The Committee bill is a tightly inter-related package of provisions that accomplishes several major objectives:

1. To tighten program administration and reduce fraud and abuse.
2. To eliminate the non-needy from the program so that those who do not need food stamps do not get them.
3. To facilitate the participation of the needy so that those who do need stamps do get them.
4. To hold program costs close to current program levels.
5. To simplify administration.
6. To minimize the loss of benefits to current needy participants.

It is important to emphasize that legislation to accomplish those objectives in no way depends on subsequent welfare reform proposals. The food stamp program needs to be reformed, and it should be reformed regardless of the direction of welfare reform. The changes adopted by the Committee are needed to improve the effectiveness of this program and to correct current deficiencies.

The minority views in that report unfortunately correctly characterized and forecast that legislation as "reform" not "reform."

The new "income stamp" program set forth in this bill takes a giant step backward from, food stamp reform. H.R. 7940 in fact deforms, not reforms, USDA's largest program which has been riddled with abuse, error, and fraud.

We contend that the minimum standards of true reform, should include an improved system of dignified food aid to poor people, a cost reduction for taxpayers, administrative simplification, restored program integrity and public confidence that benefits will go only to those recipients who are truly in need.

This bill unfortunately repeals all the major restraints of the existing Food Stamp Act, replaces the 1964 statute with a host of new administrative complexities, does little to change benefits to controversial recipients, substantially increases the public's burden of paying for it, reduces the amount of money that poor people will spend on food, and sharply cuts farm income.

I mention the foregoing because in 1977 the Congressional Budget Office [CBO] provided the following cost estimate (H. Rept. No. 95-464 p. 464) for the Food Stamp Act of 1977:

#### COST ESTIMATE: BUDGET OBLIGATIONS AND OUTLAYS

(In millions of dollars)

	Fiscal year—				
	1978	1979	1980	1981	1982
<b>FOOD STAMP PROGRAM ACCOUNT</b>					
Current policy:					
Budget obligation	5,354.0	5,467.0	5,458.0	5,507.0	.....
Outlay	5,145.0	5,466.0	5,455.0	5,505.0	215.0
Bill impact:					
Budget authority	-24.0	+144.0	+155.0	+120.0	.....
Outlay	-23.0	+134.0	+158.0	+121.0	+5.0
Total after bill:					
Budget authority	5,330.0	5,611.0	5,613.0	5,627.0	.....
Outlay	5,122.0	5,600.0	5,613.0	5,626.0	+220.0
<b>FOOD DONATION ACCOUNT</b>					
Current policy:					
Budget authority	24.3	25.7	27.1	28.4	.....
Outlay	23.4	24.3	26.9	28.3	2.6
Bill impact:					
Budget authority	1.7	1.7	1.7	1.7	.....
Outlay	1.6	1.7	1.7	1.7	.1
Total after bill:					
Budget authority	26.0	27.4	28.8	30.1	.....
Outlay	25.0	26.0	28.6	30.0	2.7

<sup>1</sup> Represents current outlays for fiscal year 1978 budget authority. Total outlays including prior period obligations is \$5,358,000,000.

What really happened after the so-called reform Food Stamp Act of 1977 was enacted that eliminated the purchase requirement, and so forth, can be seen from the following table constructed from information provided by the U.S. Department of Agriculture on obligations since 1977:

#### FOOD STAMP GROWTH FROM 1977 <sup>1</sup>

Fiscal year	Authorization	Appropriation	Obligation
1978	\$5,847,600,000	\$5,618,381,000	\$5,546,041,000
1979 <sup>2</sup>	\$6,778,900,000	6,670,278,000	6,868,900,000
1980	9,491,000,000	9,181,599,000	9,147,491,000
1981	*11,480,000,000	11,470,000,000	11,303,345,000
1982	*11,300,000,000	11,285,841,000	11,059,411,000
1983	12,874,000,000	11,989,688,000	11,837,702,000
1984	13,145,000,000	*11,722,914,000	.....
1985	13,933,000,000	.....	.....

<sup>1</sup> Obligation amount obtained from USDA.

<sup>2</sup> Fiscal year 1979 includes \$337 million carryover from fiscal year 1978. Amended by Public Law 96-58, section 1, 93 Stat. 389, Aug. 14, 1979, to change the amount authorized to be appropriated for the fiscal year ending September 30, 1979, from \$6,158,900,000 to \$6,778,900,000.

<sup>3</sup> Amended by Public Law 96-249, section 201, 94 Stat. 370, May 26, 1980, to reflect change in appropriations ceiling, increasing \$6,188,600,000 and \$6,235,900,000 to \$9,491,000,000 and \$9,739,276,000 respectively. Further amended by Public Law 97-18, section 1, 95 Stat. 102, June 30, 1981, to delete "\$9,739,276,000" and insert in lieu thereof "\$11,480,000,000".

<sup>4</sup> Amended by Public Law 97-98, section 1331, 95 Stat. 1291, December 1981, to delete "and" after "September 30, 1980," and insert before the period at the end thereof the following: "and not in excess of \$11,300,000,000 for the fiscal year ending Sept. 30, 1982." Further amended by Public Law 97-253, section 183, 96 Stat. 785, Sept. 8, 1982, to add the figures for 1983, 1984, and 1985.

<sup>5</sup> Appropriation for fiscal year 1984 estimated and includes \$700 million supplemental.

Based upon my concern for the miscalculations by CBO on the cost of the major rewrite of food stamp legislation in 1977, I requested the ranking member of the Budget Committee to obtain certain information on the cost of H.R. 5151 compared with spending limitations of the House-passed budget resolution.

I insert this exchange of correspondence in the RECORD because I believe it is revealing about: First, the lack of budgetary limits on food stamp spending; and second, the fact that CBO acknowledges that the cost estimate for H.R. 5151 "are based on economic and technical assumptions that are uncertain".



COMMITTEE ON THE BUDGET,  
Washington, DC, May 14, 1984.

RUDOLPH G. PENNER,  
Director, Congressional Budget Office.

DEAR RUDY: Congressman Gene Chappie has expressed concern over the food stamp authorization in H.R. 5151. Under the House passed budget resolution for FY 1985, certain discretionary accounts were subject to a "modified freeze" allowing 3.5% nominal growth in non-defense discretionary programs. Certain programs, however, were exempt from that freeze. On page 29 of the Report of H. Con. Res. 282, the food stamp program is listed as one of the low income programs exempted, and to which the Appropriations Committee would have the flexibility to add extra money. In toto, these exempted programs are not to receive more than \$2.85 billion.

However, on page 30 of the report, the food stamp program is again listed as an entitlement program, exempt from the entitlement freeze, and assumed to be fully funded over the next three years.

Apparently, the food stamp provisions in H.R. 5151 would raise the authorization for the program approximately \$900 million over the baseline levels for FY 1985-1987. I would like you to calculate the total authorization and outlay levels for the food stamp program under H.R. 5151, and the resulting annual growth in the program over FY 1984 estimated spending. In addition, I would like you to calculate what the spending totals would be for the food stamp program if the program were included in the 3.5% discretionary cap.

Furthermore, under the 1981 Omnibus Reconciliation Act, food stamp authorizations were capped. I would like to know if H.R. 5151 continues to cap spending, and if so, at what limits. If spending is capped, is H.R. 5151 scored as a discretionary program, and does it comply with the spending limitations of the House passed budget resolution? If the bill allows the food stamp program to technically become an entitlement program, is it permitted to spend more than the amount assumed in the budget resolution? Finally, I would like to know, in CBO's opinion, what would be the responsibility of the Appropriations Committee in funding this program under H.R. 5151.

Due to the expedited schedule for authorizations, H.R. 5151 is expected to be considered by the House shortly. I would therefore, appreciate a response as soon as possible.

Sincerely,

DELBERT L. LATTA.

CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, May 16, 1984.

HON. DELBERT L. LATTA,  
Ranking Minority Member, Committee on  
the Budget, U.S. House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN: This is in response to your letter of May 14 concerning the food stamp authorization under H.R. 5151.

You asked about total authorization and outlay levels for the food stamp program under H.R. 5151 and the resulting annual growth in the program over fiscal year 1984 estimated spending. These estimates are shown below.

(By fiscal year, in millions of dollars)

	1984	1985	1986	1987
Baseline food stamp levels:				
Estimated authorization	12,076	11,788	12,635	13,066
Estimated outlays	12,119	11,792	12,626	13,062
Estimated change from H.R. 5151:				
Estimated authorization	0	306	458	228
Estimated outlays	0	305	457	227
Total assuming H.R. 5151:				
Estimated authorization	12,076	12,094	13,093	13,294
Estimated outlays	12,119	12,097	13,083	13,289

Assuming H.R. 5151, the estimated annual rate of growth of outlays between fiscal year 1984 and fiscal year 1987 is 3.1 percent. It should be noted that given spending to date in fiscal year 1984, the current CBO estimate may understate total 1984 food stamp spending. In addition, the 1985 through 1987 estimates are based on economic and technical assumptions that are uncertain. Food price increases through March 1984 indicate a larger increase in food stamp levels for October 1984 than has been assumed in the baseline estimates.

You also asked us to calculate what spending totals would be for the food stamp program if the program grew at 3.5 percent per year from 1984 to 1987. These estimates are shown below.

(By fiscal year, in millions of dollars)

	1984	1985	1986	1987
Food stamp spending assuming a 3.5 percent growth rate from 1984 through 1987:				
Authorization	12,076	12,499	12,936	13,389
Outlays	12,119	12,486	12,931	13,384

You asked about caps on food stamp authorizations in the 1981 Omnibus Reconciliation Act. The only authorization cap relating to food stamps in the 1981 Omnibus Reconciliation Act was a \$825 million limit on nutrition assistance to Puerto Rico. The Omnibus Reconciliation Act of 1982, however, set authorization limits of \$12,874, \$13,145, and \$13,933 million in fiscal years 1983, 1984, and 1985, respectively. H.R. 5151 does not alter the authorization limits for fiscal years 1984 and 1985. The food stamp program is currently not authorized beyond fiscal year 1985.

You asked how spending in H.R. 5151 compares with the spending limitations of the House passed budget resolution. Since the resolution does not set limits by individual programs or accounts, but rather addresses overall spending limits, we are unable to compare the resolution totals for food stamps alone to spending under H.R. 5151.

Finally, you asked about the scoring of H.R. 5151 and the responsibility of the Appropriations Committee in funding this program. Currently, food stamp spending is considered discretionary for scorekeeping purposes by the House and Senate Budget and Appropriations Committees. H.R. 5151 does not alter the discretionary nature of the spending. For this reason, CBO does not score food stamp spending until appropriations are made for the program.

Attached for your information is a copy of our cost estimate for H.R. 5151, as ordered reported by the Committee on Agriculture.

Sincerely,

RUDOLPH G. PENNER,  
Director.

After the enactment of the "Omnibus Budget Reconciliation Act of 1981", Public

Law 97-35, the table above indicates that the cost of the Food Stamp Program stabilized (during the period of fiscal year 1981-84) while handling increased demands on the program during the recent recession.

Statistics now clearly indicate that a strong recovery is underway. Why must we now reverse and repeal the only effectiveness that has ever been introduced into the Food Stamp Program—the Omnibus Budget Reconciliation Act of 1981.

At a time when everyone in this body is wringing their hands about Federal deficits, why must we address yesterdays problems by adding to the deficit with new spending added to existing programs?

The Director of the Office of Management and Budget sees the need to keep spending under control, and as noted in the copy of his letter reprinted below, states unequivocally that he will recommend to the President that "he disapprove it", should it reach the President's desk. I would join Mr. Stockman in urging that the Gramm-Latta repealers be eliminated from this bill.

OFFICE OF MANAGEMENT AND BUDGET,  
Washington, DC, July 24, 1984.

DEAR REPUBLICAN MEMBER: When the Foods Stamp Amendments of 1984, H.R. 5151, come to the floor, you will have the opportunity to make a clearcut choice in favor of spending restraint.

The need to keep spending under control has never been clearer. Yet the Agriculture Committee's proposed Food Stamp add-ons would:

Repeal important reforms achieved in the 1981 Gramm-Latta reconciliation bill.

Expand Food Stamp spending by \$1.1 billion over the next three years; and

Direct benefit increases to the highest-income program beneficiaries.

Repeal of hard-won reforms: In 1981, the Congress finally responded to the pleas of its constituents to do something about the abuses plaguing the Food Stamp program. Through a variety of changes, such as insisting on using actual, rather than "projected" income to determine eligibility, the 1981 Reconciliation Act had the effect of restricting eligibility to those whose need was greatest.

Despite these changes, the 1981-1982 recession showed that the "safety net" character of the Food Stamp program remained intact. As needs rose, participation rose from 19.3 million to 21.6 million, and benefit payments rose by 43% between 1980 and 1983. In fact, while food price inflation rose by only 15% during that period, average Food Stamp benefits per person rose by 25%. By any reasonable measure, current Food Stamp rules are providing generous support to low-income families nationwide.

The Committee, however, proposes to ignore this successful history, and recommends a substantial retreat toward the status quo ante of 1980. The Committee bill would:

Eliminate retrospective accounting, going back to the pre-Gramm-Latta system where benefit levels and eligibility determinations are based on the claimant's prediction about what his next-month's income is likely to be;

Raising income disregards back to the pre-Gramm-Latta 20% level, expanding benefits for the highest-income beneficiaries with earnings.

Increase the asset limits to \$2,250. Since these asset limits don't apply to the value of a home, personal belongings, or an automobile, it would mean that families with sub-

stantial cash in the bank could nevertheless qualify for substantial Food Stamp benefits.

We can't return to the abuses of the past. In all, the Committee's bill is an open invitation to return to the program abuses of the 1970's, when the Food Stamp program rose from \$550 million a year in FY 1970 to \$8.7 billion in FY 1980, due to a five-fold expansion in eligibility.

The impetus for the 1981 reforms came from constituents fed up with Food Stamp program abuses. Quite apart from the obvious fiscal threat, it would be totally irresponsible to surrender the 1981 reforms.

For this reason, were H.R. 5151 to reach the President's desk in its present form, I would recommend that he disapprove it.

I hope you will do everything in your power to amend this legislation to eliminate the Gramm-Latta repealers. If this effort fails, I urge you to join the Administration in opposing the bill on final passage.

Sincerely,

DAVID A. STOCKMAN.

#### H.R. 5151—FOOD STAMP ADD-ONS

1. The Administration strongly opposes enactment of H.R. 5151:

H.R. 5151 creates massive new spending at a time when both houses of Congress are working to bring the deficit under control. The bill would cost \$311 million in FY 85 and \$1.1 billion in FY 85-87 relative to current services.

The bill would reverse the 1981 Gramm-Latta Reconciliation Act reforms of Food Stamps which targeted assistance on the neediest households.

If the bill were to reach the President's desk, it could not be recommended for approval in its present form.

2. The bill repeals several 1981 reforms:

H.R. 5151 would eliminate the current requirement for Food Stamp monthly reporting and retrospective accounting.

Households with frequent income changes would no longer be required to report actual income but would instead make uncertain predictions of future income.

Monthly reporting in essence is already optional since USDA has permitted States to target the procedure on only 25% of the most error-prone caseload to assure its cost-effectiveness.

The bill would reverse the 1981 reform which reduced the earned income deduction from 20 to 18%.

Congress initially reduced the deduction because of evidence that work expenses represented only 15% of earned income. More recent information shows little change in this ratio.

3. Other provisions in H.R. 5151 reverse our 1981 efforts to target assistance more directly to a household's needs.

The bill provides for allotment increases over and above the current annual inflation adjustments. These unjustified add-ons would cost \$485 million over three years.

The bill increases the Food Stamp program's asset limit to \$2,250—higher than the limit in most other public assistance programs. For example, the current AFDC asset limit is \$1,000. A recent GAO report urged that the asset tests of these two programs be made more comparable to simplify administration.

The current assets limits are not burdensome especially since a family's house, most of its cars and its personal belongings are exempt.

4. Current law already provides ample assistance to households in need:

Since 1980, Federal food program spending has increased by 38%—from \$14 billion in 1980 to \$19.4 billion in 1983.

This Administration has initiated the direct distribution of free USDA surplus commodities to needy households at a cost of over \$1 billion a year.

There has been dramatic growth in the Food Stamp program since 1980. Food Stamp spending rose 43% between 1980 and 1983 while participation increased from 19.3 million to 21.6 million during that same time period.

Average Food Stamp benefits per person have increased by 25% since 1980 while food inflation has increased only 15%. ●

● Mr. ACKERMAN. Mr. Chairman, I rise today in strong support of H.R. 5151, the Hunger Relief Act of 1984. If passed, this legislation would bring long-overdue reform to the Food Stamp Program.

The proposed increase in the shelter allowance is particularly welcome. This figure has not been adjusted since 1975, although the cost of housing has soared during that time. As a result, two-thirds of the welfare recipients in New York State now pay more in rent than they receive in grants. Money that these needy families could have spent on food or clothing goes instead to their landlords.

H.R. 5151 would raise the shelter allowance from the present \$125 a month to \$155 a month. Over 338,000 households in New York City alone would benefit from this change.

Mr. Chairman, this bill also covers a segment of our population that is, unfortunately, growing—a group that is often overlooked when public-assistance legislation is drafted. I am speaking about the homeless, whose problems go beyond a meager shelter allowance or an insistent landlord. Each day is another ordeal for them, as they fight hunger, rejection, the weather, and perhaps their own delirium.

For the homeless, food stamps are critical. Their very survival may hinge on them. The homeless have heretofore been excluded from the program solely because they have no permanent address. The group most needing our support and compassion has, by their very definition, been barred from receiving our help. The homeless have thus been forced to rely on the efforts of voluntary, religious, and municipal agencies, fostering a dependency that further demeans and discourages them. They must eat what they're told, when they're told, and where they're told.

Think of the misery of the family that has fallen on hard times. The unemployed parents now have to line up their children to get fed, in a dreary procession of ragged, sullen, and sometimes surly people. Does this environment promote self-reliance or family togetherness, values which the Reagan administration pretends to champion?

The Hunger Relief Act, which the President typically opposes, would help reverse this alarming trend. If the homeless were able to obtain food aid directly and individually, without waiting for intermediaries to respond, they could devote more of their time and energy to finding a job and a permanent place of shelter. The bill provides food stamps precisely in this just manner, so long as applicants meet all the other eligibility requirements.

In the past, Mr. Chairman, the lack of a fixed address has in some States prevented the homeless from qualifying for the program. This regulation was based on the assumption that there was no way of getting the stamps into the right hands, and that fraud would be rampant. But social service and advocacy groups know better. For years, they have argued that shelters or churches could serve as distribution centers. I am happy that the distinguished members of the Agriculture Committee have seen the wisdom and integrity of this arrangement. I trust that the rest of the House will join in the wisdom of their judgment.

For the poor, food stamps are the first line—often the only line—of defense against hunger. Food stamps also represent the best and most comprehensive effort of the Federal Government to stave off malnutrition. Why should a child be denied these benefits merely because the parent happens to be homeless? Is that child, that family, any less needy than the poor persons lucky enough to have a roof over their heads? Of course not.

I therefore urge my colleagues to join me in enthusiastically voting for H.R. 5151, the Hunger Relief Act of 1984.

Thank you. ●

● Mr. SUNIA. Mr. Chairman, I am proud to join my fellow colleagues in the Pacific region in support of H.R. 5151, the Hunger Relief Act of 1984.

Provisions for the Food Stamp Program serve a worthy cause to the needy and low-income households, to the elderly and disabled, to recipients of Aid to Families with Dependent Children and SSI, with coupons redeemable for food. Food stamps supplement the food-purchasing power of these low-income households in order to ensure that they are able to afford a nutritionally adequate low-cost diet, as determined by the Agriculture Department's thrifty food plan.

This program would also permit the homeless to receive the benefits. Allowances are also made for those recipients who are employed or face high housing and utility costs, and increases the value of assets that food stamp recipients are allowed to hold. More so, this piece of legislation would require that States implement expanded job search requirements.



Poverty and hunger in the United States have increased. This brings the need and demand for emergency food assistance. It not only covers the traditionally considered poor, but also those who have just recently become unemployed. These individuals often face the problem of having little or no income but too many assets to be eligible for assistance from the government.

America and its territories promote freedom, equality, and opportunity, and I believe that no American should experience hunger in this land of plenty.●

● Mr. DURBIN. Mr. Chairman, the bill which we are considering today, H.R. 5151 attempts to balance the benefit needs of food stamp recipients with the desire to maintain a cost effective system. On the one hand, I think we all agree that assisting the truly needy is worthy and that we can be proud of the Food Stamp Program in this regard. However, on the other hand, I think most of us also agree that, to the greatest extent possible, we should guarantee that the funds allocated to this program are well monitored and responsibly managed.

The burden of recordkeeping, quality control, and general administration of the Food Stamp Program falls on the States. The States are required under the Food Stamp Act to have quality control systems to identify the types of errors being made and to quantify the losses attributable to each type. This has been required since fiscal 1981, with error rate results compiled and reported for 6-month periods. Payments to ineligible persons are monitored to provide information for devising corrective actions to reduce erroneously issued benefits. They also serve as the basis for establishing State or Federal financial liability for excessively erroneous payments.

Managers in private industry have long employed quality control systems to help assure that services meet certain standards. This systematic means to assist businesses, if applied to the Food Stamp Program, should help State and local administrators monitor and control the accuracy of payments to program clients. I know the State of Illinois is grateful for the quality control program. The Department of Agriculture's Food and Nutrition Service uses a corrective action process to encourage States to solve program problems. The States are required to make reviews to identify problems in State and local operations and to develop and implement corrective plans. This involves setting target dates and measuring changes in overissuances or payments to ineligible persons. Among the major problems have been certification errors in determining eligibility and benefits.

Holding States accountable for their Food Stamp Program deficiencies has made States put more emphasis on carrying out corrective actions. The prospect of losing some Federal funds has prompted some top level State and local officials to give increased attention to improving their programs. Perhaps even more of an incentive, according to a GAO report of May 30, 1984, has been the adverse publicity which accompanies any sanctions issued against States for high error rates.

H.R. 5151 increases the sanctions against States for error in determining and distributing benefit payments. Currently, States are sanctioned at 5 percent of their federally funded administrative costs for each percentage point their rate exceeds 9 percent for fiscal 1983, 7 percent for fiscal 1984, and 5 percent for fiscal 1985. This bill provides that sanctions would be based on total issuances rather than administrative costs, making States liable for the full value of overissued food stamp benefits beyond a 5-percent error threshold. States have justifiably opposed this measure, since it could more than double the average financial penalty States would have to pay for errors after fiscal year 1985. Although I think this is a severe measure, it is a strong statement of congressional concern about quality control in the Food Stamp Program.

Nonetheless, if we are sincerely concerned about assurances that the benefits of this program reach the truly needy, the use of penalties will solve only part of the problem. What really needs to be addressed is the quality control mechanism. And, as the recent GAO report points out, each State has its own set of problems and corrective action plans must be designed to address the particular set of circumstances for each particular State. Therefore, the Federal regulations must allow a wide range of options in solving their overpayment problems.

I believe that provision in this bill which makes mandatory reporting and retrospective accounting optional is necessary in light of these stringent error rate requirements. Too frequently States are charged with not caring how they handle Federal money. And, the adverse publicity which accompanies even one finding of fraud in the food stamp program deepens this perception. Perhaps some States are sloppy with Federal funds; perhaps some of them don't have the necessary information and management systems to adequately monitor this program.

But most of the States have made great progress over the past 3 years. Illinois has improved its error rate by 40 percent and the agency-caused budgeting errors dropped 75 percent.

However, Illinois has indicated that monthly reporting and retrospective budgeting does not help quality con-

trol. Results from a demonstration project showed that payment error rates were about the same in both the conventional and monthly reporting groups, contrary to expectations. Unfortunately, the current law makes monthly reporting mandatory, even though in Illinois they found that it led to increased costs due to accompanying paperwork and it was less responsible to recipient needs.

If we are going to penalize the States for errors, we should allow them to choose the tools which will help them to bring down their error rates. This bill will permit States to determine whether or not monthly reporting and retrospective budgeting will decrease overissuances. Any attempt to remove this section of the legislation will just make it harder for States to provide the best service possible to food stamp recipients. Rather than increasing the regulations binding the administration of this program, the Federal Government must improve its quality control assistance efforts. States don't need more requirements, they need assistance with quality control reviews, access to better information processing equipment, fraud detection systems, and worker education.

During the Agriculture Committee markup of this bill, Members discussed this problem at length. I think there was a general consensus that the quality control system could be improved and that the error rate calculations have not been adequately defined. Therefore, the committee approved an amendment I offered to H.R. 5151, which requires a report from the Secretary by April 1, 1985, about the quality control system effectiveness and the methods used for calculating the error rates. I have received assurances from the chairman of the subcommittee, the author of this bill, that prior to reauthorization of the Food Stamp Program next year, we will gather information from the States, the Federal Government, and other involved parties as to the efficacy of the current quality control system. He has agreed to further debate about the error rate system, and I think that any actions taken next year will be based on the best information possible.

But, for now we need to pass H.R. 5151. This bill will increase the benefits by changing the formula for the cost of the thrifty food plan. It streamlines the eligibility process by making households with AFDC or SSI recipients automatically eligible. It raises the deductions for earned income as a work incentive. It repeals mandatory monthly reporting and retrospective accounting.

The Food Stamp Program operation is vital. The program has continued to provide food assistance to the Nation's needy since it was established by the

Food Stamp Act in 1984. I think we have suffered some set backs in this program over the past few years, but this bill helps to overcome some of these deficiencies. I agree that there are some problems, especially in regards to sanctions against States, but I also think that these will be successfully addressed at another time.

This is a bipartisan effort; let's keep it intact.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. This is a limited attempt by this body to respond to the alarming presence of poverty and hunger in the United States. This legislation seeks to address one of the cities in our midst, a city of hunger and desperation such as described by Gov. Mario Cuomo of New York in his depiction of our Nation as a "Tale of Two Cities."

H.R. 5151, most importantly, would increase benefits for food stamp recipients by basing maximum benefits in fiscal year 1985 on 100 percent of the Thrifty Food Program. Benefits would subsequently be based on 101 percent of the Thrifty Food Program in fiscal year 1986, returning to 100 percent of the Thrifty Food Program in fiscal year 1987. This benefit increase is a response to the cruel budget cuts contained in the Omnibus Budget Reconciliation Act of 1982 which reduced food stamp benefits in fiscal year 1982 through fiscal year 1985 by holding benefits to 99 percent of the Agriculture Department's thrifty food plan.

This measure also expands eligibility to include the many homeless who meet other eligibility standards required to receive food stamps. Additionally, the Hunger Relief Act provides for automatic coverage for recipients of Aid to Families With Dependent Children and recipients of SSI.

Mr. Chairman, we need to pass this bill if our Government is to pass the moral test in terms of how it affects the young, the elderly, the handicapped, and the needy. Relief organizations in the District of Columbia continue to indicate to me that hunger is getting worse.

The Congress in reducing the Food Stamp Program made a mistake. More than 1 million beneficiaries lost their eligibility when we reduced the Food Stamp Program by 13 percent in the Omnibus Budget Reconciliation Act of 1982.

The Food Stamp Program, as it is presently constituted, based on the inadequate Thrifty Food Program, barely provides subsistence or affected families. The Hunger Relief Act is a small beginning in the long walk we will have to take if we are to really have one Nation and not a continuing "Tale of Two Cities."

I urge my colleagues to pass H.R. 5151.●

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5151, the Hunger Relief Act of 1984. The legislation has been reported to the floor with bipartisan support and I share the distinguished chairman's view that this bill is a responsive and responsible approach to addressing the problem of hunger in the United States.

Once again, the country is indebted to the leadership of Chairman DE LA GARZA, Subcommittee Chairman LEON PANETTA and the distinguished ranking minority member, BILL EMERSON, of Mr. PANETTA's Subcommittee on Domestic Marketing, Consumer Relations and Nutrition.

On the national level, this legislation recognizes that the problem of hunger is a continuing one and the national Food Stamp Program must constantly be modified and tightened to meet changing national needs. The legislation before us takes steps to increase work incentives for food program participants, helps provide for adequate food program benefits and increases nutrition education efforts.

As Resident Commissioner from Puerto Rico, I endorse this legislation.

I wish to point out, however, that Puerto Rico has a separate nutritional assistance block grant to meet our island's nutritional needs. Our island program was continued at the close of the first session of the 98th Congress under the terms of a fixed block grant which, unlike the provisions in the legislation before us, does not have a cost-of-living or inflationary increase to meet the higher costs of living and annually adjust our level block grant.

I believe this is a problem that the U.S. Congress should address at some future point. But, at the same time, I commend the gentlemen who once again have exercised their leadership and continuing diligence in reporting this responsible compromise to the House floor to help citizens of the U.S. mainland.

The less affluent in this country, and those who count on the Food Stamp Program as the most visible Federal presence in helping provide families adequate nourishment, once again have had their needs met by the provisions of H.R. 5151.

I urge its prompt and speedy passage.●

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

□ 1117

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BROWN of California] having assumed the chair, Mr. TORRES, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 5151) to alleviate hunger in the United States by strengthening Federal nutrition pro-

grams, had come to no resolution thereon.

#### GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered, H.R. 5151.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### LEGISLATIVE PROGRAM

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute.)

Mr. LOEFFLER. Mr. Speaker, I ask for this 1 minute in order to ascertain the schedule for the remainder of the week and for next week.

I am happy to yield to the distinguished majority whip, the gentleman from Washington [Mr. FOLEY], for whatever information he might be able to bring to us.

Mr. FOLEY. I thank the acting Republican leader for yielding.

Mr. Speaker, this concludes the business for today and for the week.

It will be my intention shortly to ask unanimous consent that when the House adjourn today it adjourn to meet on Monday next.

At that time, the House will meet at noon and consider under suspension of the rules nine bills.

Prior to that there will be a special District Calendar, permission for which has already been granted.

The bills under suspension of the rules are:

H.R. 5946, Conservation Service Report Act of 1984; House Resolution 555, Senate of House disapproving the appointment of Ms. Burford as Chairman of NOAA; H.R. 6013, Small Business Act amendments; H.R. 5799, employment security for veterans in certain Civil Service positions; H.R. 5846, Crime Fine Enforcement Act of 1984; H.R. 5910, to amend title 18, United States Code, regarding contraband in prisons; H.R. 5872, Financial Bribery and Fraud Act of 1984; H.R. 5526, to amend title 18, United States Code, regarding escape from custody resulting from civil commitment; and H.R. 5919, Foreign Evidence Rules Amendment Act of 1984.

□ 1120

Any votes ordered on suspensions considered on Monday will be postponed until the last item of legislative business on Tuesday, July 31.

In addition, on Monday, July 30, the House will consider H.R. 3987, to improve the preservation and management of Federal records, an open rule, and 1 hour of general debate only will



be completed on Monday. The rule has already been adopted.

On Tuesday, July 31, the House will meet at noon. No bills are currently listed on the Suspension Calendar but, as I said, votes that have been postponed from Monday will be taken at the end of the legislative day.

The House will consider H.R. 5983, Interior Appropriations Act, 1985; we will complete consideration of H.R. 5151, the bill on which we have had debate today; H.R. 5290, the Compassionate Pain Relief Act.

It was announced yesterday by the chairman of the Committee on Standards of Official Conduct that he will bring up on Tuesday a privileged resolution in the matter of Representative HANSEN.

On Wednesday, August 1, the House will meet at 10 a.m. and consider the Labor-HHS appropriations for fiscal year 1985; the supplemental appropriations bill; and H.R. 3987, to improve the preservation and management of Federal records, completing consideration.

On Thursday and the balance of the week the House will meet at 10 a.m. and will consider H.R. 5399, the intelligence authorizations, a modified open rule with 1 hour of debate; H.R. 5921, the Transportation appropriations for fiscal year 1985; H.R. 5244, the Department of Energy civilian research authorizations for fiscal years 1985, 1986, and 1987, an open rule, with 1 hour of debate, the rules already having been adopted; H.R. 5602, the health professions and services amendments, an open rule with 1 hour of debate; and H.R. 5585, the Railroad Safety Act, subject to a rule being granted.

Mr. LOEFFLER. I wonder if the distinguished majority whip might give us some further enlightenment as to what point in the day on Tuesday the leadership believes the privileged resolution coming out of the Ethics Committee might be before the House.

Mr. FOLEY. I am not able to advise the gentleman on the precise time of day. The position of the leadership with respect to resolutions of this kind from the Committee on Standards of Official Conduct is that are privileged, and the chairman will be recognized at any time he seeks recognition for the purpose of bringing up this resolution.

The chairman made the statement that he would seek recognition on Tuesday, but I am not aware at what time during the day he may do so.

Mr. LOEFFLER. But from the standpoint of the schedule, there is no question that the privileged resolution will come before this body on Tuesday next?

Mr. FOLEY. Yes. The chairman of the committee, the gentleman from Ohio [Mr. STOKES], made that announcement in the House yesterday.

Mr. LOEFFLER. I wonder if the distinguished majority whip might give us any idea if in fact we will have votes on Friday next, or if we might find ourselves in the same position that we find ourselves in on this Friday.

Mr. FOLEY. I am not sure what the intention will be regarding Friday. I think that if we complete the schedule by Thursday we will probably not meet on Friday next or we may have a session with a similar schedule as the session today. But it is a rather heavy schedule, and I think Members at this time should plan on a Friday session next week.

Mr. LOEFFLER. According to what the distinguished majority whip has brought to us today, it is then my understanding that on Tuesday, once we complete all legislative business, which means whatever we get through, the privileged resolution, the Interior appropriations bill, the Hunger Relief Act, the Compassionate Pain Relief Act, it will be at that time that we will then have the votes on whatever suspensions may require recorded votes which will roll over to Tuesday from Monday's debate; is that correct?

Mr. FOLEY. That is correct. And any suspensions that could possibly be scheduled for Tuesday.

Mr. LOEFFLER. And we would have votes at an earlier time on other legislative matters, such as the Interior appropriations bill, the Hunger Relief Act, the Compassionate Pain Relief Act?

Mr. FOLEY. The gentleman is correct.

Mr. LOEFFLER. I thank the distinguished majority whip.

#### ADJOURNMENT TO MONDAY, JULY 30, 1984

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore [Mr. TORRES]. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### THE 1983 ANNUAL REPORTS ON ACTIVITIES OF DEPARTMENT OF LABOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of today, Friday, July 27, 1984.)

#### THE TEXTILE INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. CAMPBELL] is recognized for 60 minutes.

Mr. CAMPBELL. Mr. Speaker, I took this time today, while the House is empty, just to read into the RECORD and to let the American people know something that has come to my attention that is extremely important.

One of the most important things that the American people can have is confidence in their Government. I represent an area of the country that manufactures textiles. In the textile industry there has been a loss of jobs for the last several years that has threatened to disrupt the entire industry. There has been an awful lot of discussion about what to do about it and what was the cause of it. Today it has come to my attention that in 1980 the Government of the United States, under the Carter-Mondale administration, entered into a secret agreement with the People's Republic of China on textiles. The result of that secret agreement, which was not a part of the public bilateral agreement, was that the amount of textiles coming into the United States from China tripled in the 3-year period. That displaced about 100,000 American workers from their jobs.

We had to find out about this agreement by using the Freedom of Information Act to force it from the State Department, and it was not until this week, an effort was started to find out about it, after we heard about it 7 or 8 months ago, that in fact the secret letter was given to us, the secret letter was sent to Mr. Roboz, who is the chairman and chief executive officer of Stanwood Corp. And I would like to read that letter for the American people so that they might know what has happened to one of the industries because of secret agreements of the Carter-Mondale administration with Communist China to encourage trade. This letter is to the Ambassador of the

People's Republic of China and it is from the Office of the U.S. Trade Representative, Mr. H. Reiter Webb, Jr., who at that time was the chief negotiator for textile matters for the Carter-Mondale administration.

□ 1130

It is technical in terms in many instances, but we should remember before I read it that China is neither a party to nor is entitled to any of the general protections that exist under the general agreements on tariffs and trade of the multifiber agreement, thereunder, which governs textile trade in this country.

As I read this letter, it becomes very clear what that administration tried to do, and as I get to the end of it, they even say that they are going to hold them harmless if in any circumstances they have to take an action against China.

The letter reads:

DEAR MR. AMBASSADOR: As agreed during the discussions leading to a bilateral textile trade agreement between our two nations, I wish to clarify the views and intentions of my government as regards implementation of paragraph 8 (the consultative mechanism) of the agreement.

That is the area of the agreement that can be used to stop illegal or subsidized or extra goods from coming in the country that disrupt our marketplace. The letter goes on:

Our two governments recognize that textile trade between our two countries has only recently been reestablished and that the prospects of the trade and the current status of trade between our two countries should be taken into account.

Accordingly, consultations as envisioned under the consultative mechanism of this agreement shall not be requested without reference to factors and criteria as contained in Annex A of the GATT Multi-Fiber Arrangement (MFA). A written statement will be supplied promptly which will include data similar to that contemplated in paragraphs 1 and 2 of Annex A of the Multi-Fiber Arrangement.

Hence, unless there are unforeseen circumstances to the contrary, the Government of the United States of America would not envision requesting consultations with the Government of the People's Republic of China on a category not already subject to a specific limit before imports from China in the category of categories concerned have reached the levels already established by comparable, important, capable suppliers.

Those that were in treaty agreement with us:

By this it is meant that the Government of the United States would use the consultation clause sparingly and would not request the Government of the People's Republic of China to limit its exports or categories concerned without having full regard both to the equitable treatment of the Government of the People's Republic of China as compared with other such suppliers of like textile and apparel products and, as appropriate, to the Government of the People's Republic of China's position as a new entrant to the United States' market, with respect to products not already subject to specific

limits. Further, the Government of the United States of America will give full consideration to the factors indicated above.

It is also recognized that the established public policy of the Government of the United States of America is to provide as much information and opportunity as practicable for the growth and development of trade in textiles to all its bilateral agreement suppliers, consistent equally with the United States need to avoid disruption of its domestic market or the threat thereof. The Government of the People's Republic of China, therefore, has the assurances of the Government of the United States of America that resort to these consultation procedures shall be on a fair and equitable basis vis-a-vis other bilateral agreement suppliers, taking into account the position of the People's Republic of China as recognized above.

If recourse to the provisions of paragraph 8(c) would result in actual injury to production and marketing of textile products from China and/or would have actual impact on goods which have been or are about to be shipped, the Government of the United States will undertake to alleviate the adverse effects.

Now, that is a secret letter that an agreement given to the Chinese outside of the normal, bilateral negotiation which was public, which in essence gives them all the protections that we would have with any other trading party, and also, in the very end, essentially agrees to hold them harmless, if, in fact, we had to take any action.

The result of that was this: The result was that we doubled the amount of square yard equivalent coming from the People's Republic of China in 18 months, and darn near broke part of the textile industry in this country. It was only in late 1982 that we really began to issue the calls and tried to break this agreement, even though at that time we were not sure it existed.

As a matter of fact, in 1980 and 1981, under the Carter-Mondale administration they issued only six calls against all of the products from the People's Republic of China dealing with textiles. Since 1981, we have at this date issued some 44 calls against China trying to stop what had already taken place. But what has happened is that during this period of time, over 2 billion square yard equivalent have been shipped to this country. That is a disruption in the marketplace of almost 200,000 American jobs, because you lose about 100,000 American jobs for every billion square yards of imports.

That is an interesting figure when we stop and realize that an administration of this Government went into a secret agreement that caused a disruption in our domestic industry and the people of this country did not know about it even though they were losing their jobs.

That is of great concern to me. It is of so much concern to me that I have been involved in all of the negotiations trying to slow down some of the shipments and get some order in the trade.

Not to put up a protectionist barrier, but to put up a fair trade situation so that we can in fact deal in an orderly manner.

I believe that we have made some progress, but I believe the damage was done so badly that we might never recover because of the actions of that last administration. The fact is that in the agreement that they negotiated and publicized, they only covered 36.3 percent of what China was shipping at that time. We have renegotiated that agreement, and we are now covering under agreement 77.7 percent of their products, but that is not enough yet. We have issued calls that now allow us to cover even more. The fact is that they had allowed this to take place and the tremendous surge to come into our marketplace and even though this administration froze the shipments, and then tried to negotiate a new agreement, the damage was done and the ability to undo was limited.

The people of the United States need to know exactly how that damage took place. I should hope that there will not be other secret agreements that disrupt the marketplace of the United States of America. We have to trade with other countries; we should trade with other countries. We should have as open and free and fair a trade as possible, but how in the world can you trade with a controlled society that pays its people about 21 cents an hour; that is run by the Government; that is subsidized by the Government, and then have your own Government, your own Government give to that government special privileges to throw the American people out of work. How can you call that free or fair trade? It is absolutely unconscionable. I hope that somehow out on the campaign trail, that Mr. Mondale talks about jobs in America, because I think it is time that we address some of the things that took place.

I hope that if there are other secret agreements, that we are able to uncover them, and I hope that when we do uncover them, that we will be able to undo some of them if they are causing the steel workers or the textile workers or any other workers in America to be thrown out of their jobs, not by fair or free trade, but by secret agreements with controlled societies paying slave wages. I do not think it is anything America can stand for.

□ 1140

TRIBUTE TO JOSEPH D. KEENAN, INTERNATIONAL SECRETARY-TREASURER EMERITUS OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gen-



tleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to Joseph Daniel Keenan, whose death on July 22, was a tremendous loss to the labor movement, the city of Chicago, and all people of our country.

Joseph Keenan's career as a labor official spanned over 70 years, and our country has truly lost one of its finest leaders, whose life was devoted to the betterment of the lives of all working people.

The eldest of eight children, Joseph Keenan was born on Chicago's Near West Side on November 5, 1895. At age 12, he left elementary school, to support his family when his father was injured in a work-related accident. Shortly thereafter, he was invited to join the Ladies Straw & Felt Hat Workers Union of the American Federation of Labor, and in 1914 Joseph Keenan joined Electricians' Local 134 in Chicago. He was elected inspector of the local in 1923, and served as its recording secretary from 1929 to 1954.

In 1931, Joseph Keenan was appointed as plant electrical engineer for the Metropolitan Sanitary District of Greater Chicago, and through his outstanding union activities, he gained the attention of officials of the Chicago Federation of Labor, where he was elected recording and corresponding secretary in 1937.

With the outbreak of World War II, Mr. Keenan came to Washington, and served our country with distinction as the American Federation of Labor's representative on the National Defense Advisory Committee. He eventually became the labor vice chairman of the War Production Board, where he played a crucial role in reaching agreements that helped to stabilize industrial relations in the construction industry, and to halt strikes and work stoppages, while arbitration agreements were being reached.

At the end of World War II, Joseph Keenan went to Europe to help reestablish the industries devastated from the war. The Army made him a brigadier general, and from 1945 to 1947, he toured Europe as an adviser to General Lucius D. Clay, the American military commander in post-war Germany, in order to rebuild the trade unions there. In 1947, he served as President Truman's special coordinator between labor and industry in the American zone in Germany.

From 1951 to 1954, Mr. Keenan served as the first secretary of the building and construction trades department of the American Federation of Labor, and became the international secretary of the International Brotherhood of Electrical Workers in 1954, a post he held until 1976. He was the first director of the League of Political Education, the forerunner of COPE of the AFL-CIO, and as a vice

president of the AFL-CIO for nearly four decades, he worked closely with George Meany, helping him to merge the two rival trade groups in 1962.

Mr. Keenan was a strong force in the Democratic Party, and was close friend and adviser of Chicago mayors, Democratic Presidents, and Presidential candidates. He played a key role in President Truman's upset victory over Governor Dewey in 1948, and he served as labor's campaign liaison with Presidents Kennedy and Johnson, and Presidential candidates, Hubert Humphrey, Henry Jackson, and George McGovern.

In addition to his career in labor, Joseph Keenan was active in many civic, religious, and community activities. He was a supporter of the Loyola Retreat Center, and CARR, a national Catholic research center. In 1974, he received an honorary doctorate from Catholic University, and in recognition of his many services to his church and country, Pope Paul VI bestowed upon him the Pro Ecclesia et Pontifice Award.

Joseph Keenan was a strong supporter of civil rights, and received the Civil Rights Award from the Anti-Defamation League. President Truman awarded him the Medal of Freedom and the Medal of Merit, because of his dedicated service to our country. He was a highly respected member of the community, and a leader of outstanding abilities, dedicated to the highest standards. His devotion to human improvement and human compassion, and his efforts on behalf of working people, will long be remembered.

Mrs. Annunzio and I extend our deepest sympathy to his wife, Jeffie, and the other members of his family who survive him.●

#### INTERIOR-ENERGY SUBSTITUTE FOR INDIAN HEALTH CARE IMPROVEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, on May 15, 1984, the Committee on Interior and Insular Affairs and the Committee on Energy and Commerce favorably reported the bill, H.R. 4567, reauthorizing and amending the Indian Health Care Improvement Act. The Interior Committee reported the bill with an amendment in the nature of a substitute. The Energy Committee reported the bill with sundry amendments. As reported, the two committee versions were substantially different and generated considerable controversy.

In the interest of facilitating an early passage of this most important legislation, the two committees, after long negotiations, have arrived at a compromise substitute bill which in-

corporates the agreements resolving these differences. While I am not totally satisfied with all the provisions of this new substitute, I believe it is still very good legislation which will result in significant improvement in the health status of our Indian citizens. It is my intention to strongly support this new bill on the floor of the House through conference to enactment.

I have written to Chairman PEPPER of the Rules Committee requesting an early hearing on a rule for this bill which would make the new bill original text for purpose of consideration and amendment in the House. I hope that we can schedule this bill, which authorizes appropriations for fiscal year 1985, for early action in the House. At a later time, I will submit a statement more fully explaining the background and provisions of this compromise bill.

I am introducing this bill on behalf of Congressman WAXMAN, chairman of the Energy Subcommittee on Health and the Environment and on behalf of several of the original cosponsors of H.R. 4567. I would like to take this opportunity to commend Mr. WAXMAN and his subcommittee staff for their work on this legislation and the cooperation my committee has received in working out this compromise.

I would urge all members to support this new legislation.●

#### CONRAIL SALE RAISES QUESTIONS

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDGAR. Mr. Speaker, along with 17 of our colleagues, I sent a letter yesterday to Chairman JIM FLORIO of the Energy and Commerce Subcommittee on Transportation, Commerce, and Tourism, requesting a delay of at least 1 year in final congressional action on the sale of Conrail.

Conrail has become a tremendous success story since its sale was first proposed by Transportation Secretary Lewis 3 years ago. The railroad is expected to report profits of half a billion dollars this year. Yet the Department of Transportation is hurrying to sell the railroad. Announcement of a successful bid, originally scheduled for this fall, may occur as early as next week. Haste seems even less necessary in light of reports that an outside evaluation has found that Conrail's worth is approximately \$800 million more than the current \$1.2 billion asking price. Why, then, the rush to sell? Along with other Members, I believe that more time is needed before the sale to allow Congress, the States, and

the public affected by the sale an opportunity to thoroughly examine the economic and public interest issues at stake.

Specifically, in yesterday's letter we called for increased information about:

The intentions of the current bidders toward future rail service to the Northeast-Midwest region;

The fate of service contracts currently in force;

The sale's effect on transportation competition in the region; and

The repair of "orphan bridges" and other neglected maintenance in the Conrail system.

We are not necessarily hostile to the sale of Conrail or to the efforts of the Department of Transportation. However, we do feel strongly that sale of Conrail, in which the Federal Government has invested so much, should not take place precipitously.

Mr. Speaker, at this point, I would like to enter into the RECORD the letter to Mr. FLORIO and a letter regarding the sale sent to Transportation Secretary Dole by Pennsylvania Gov. Dick Thornburgh. After examining these documents, I urge my colleagues to contact Chairman FLORIO to express their concern about this issue and join the call for reasoned, careful consideration of the Conrail sale. The letters follow:

HOUSE OF REPRESENTATIVES,  
Washington, DC, July 25, 1984.

HON. JAMES J. FLORIO,  
Chairman, House Energy and Commerce,  
Subcommittee on Commerce, Transportation, and Tourism, Rayburn House  
Office Building.

DEAR MR. CHAIRMAN: This is to inform you of the deep concern which we feel about the process which is now being followed by the U.S. Department of Transportation to sell the Consolidated Rail Corporation (Conrail). A number of questions have been raised about the sale procedure, and the public interest stakes are extremely high.

In this atmosphere we believe it is vitally important that Congress, the states, and the public affected by the proposed sale of Conrail be given an adequate opportunity to examine the proposed sale. Since your subcommittee will have primary legislative responsibility for examining the sale, we ask your support for a moratorium of at least one year on any final sale of Conrail. This period of time should afford us an opportunity to thoroughly examine the economic and public interest issues at stake in the Conrail sale.

The regional economy of the fifteen states currently served by Conrail's 14,200 track miles is vitally dependent on adequate rail transportation service. The future health of the economy of the Northeast-Midwest region is precarious. Our region is currently recovering from Depression-era levels of unemployment. The regional economy needs time to heal and recover, yet a change of Conrail ownership and service could require major economic adjustments and risk serious curtailment of rail service in the region.

The legislative calendar of the current session of Congress is too crowded with other important matters to allow careful, rational consideration of the issues raised by the Conrail sale before the November election.

By deciding, at this point, that we will take at least a year to examine the sale, we give ourselves time to address the following points:

1. What are the intentions of the current bidders to purchase Conrail? What are the plans of these private sector corporations for future rail service for the Northeast-Midwest region? Despite the federal investment of approximately \$7 billion to preserve regional rail service, we have no assurance that this service will be preserved following the sale of the railroad.

2. What will be the fate of service contracts in force today on Conrail lines? Will they be cancelled? Will rates increase? The shippers in our region need answers to these questions.

3. Will service patterns be the same after the sale? The Department of Transportation has announced that service patterns are one of the criteria being examined in their review of bids, but we do not know the weight given to this criterion which is the most vital to the future economic health of our region.

4. Are trackage rights of other carriers being protected? Will the sale foster transportation competition in the region or hamper competition? Again, these questions are vital to the future economic health of the Northeast and Midwest.

5. Will the prospective purchasers assume all of Conrail's contractual obligations?

6. What about the "orphan bridges" and other deferred and neglected infrastructure maintenance along the Conrail system? The federal government has made massive investments to improve this infrastructure already. Will these improvements be maintained and continued by a new owner or neglected as they have been in the past by previous private sector owners of the railroad?

The key issue which we must examine is whether the public interest and public investment in preserving rail service and economic progress in the Northeast-Midwest region will be enhanced or negated by the sale of Conrail to a private sector owner. We must determine whether preservation of economic progress in the region is the goal of the sale or merely subordinate to the amount of money being offered for the railroad or some other consideration. The process being followed by the Department of Transportation has effectively prevented Congress and the public from examining these issues related to the sale of Conrail thus far. We must take the initiative. We must clearly state our intention to examine these issues thoroughly in order to prevent a hasty and destructive auctioning off of the railroad.

Conrail management has performed admirably in recent years in making the government-owned system both profitable and valuable in providing a vital service to the regional economy. Businesses in our region can now depend on rail service, but a sale now is certain to bring uncertainty and risk the economic recovery of our region. We ask that any final decision on the sale be delayed in order to ensure careful examination of all the issues that have been raised.

Sincerely,

Jim Oberstar, Bob Edgar, Thomas M. Foglietta, Bob Borski, William J. Coyne, Richard Ottinger, Parren J. Mitchell, William D. Ford, Berkley Bedell, Louis Stokes, Jack Kemp, Frank Horton, James J. Howard, William H. Gray III, Bruce A. Morrison, Austin Murphey, Jim Moody, Don J. Pease.

COMMONWEALTH OF PENNSYLVANIA,  
OFFICE OF THE GOVERNOR,  
Harrisburg, July 16, 1984.

HON. ELIZABETH HANFORD DOLE,  
Secretary of Transportation, U.S. Department of Transportation, Washington, DC.

DEAR SECRETARY DOLE: I appreciate your efforts to keep me informed of your plans concerning the sale of Conrail, and wish to take this opportunity to convey some views which I regard as critical if Conrail is to be returned to the private sector at this time.

As you know, Conrail is vital to the economic well-being of Pennsylvania and the whole Northeastern region which it serves. Conrail is the key element in a revitalized Northeastern transportation system. Through its investment of millions of dollars in industrial development and equipment purchases and payment of local taxes, Conrail is also stimulating economic growth throughout the Northeast. Last year alone in Pennsylvania, Conrail accounted for nearly two-thirds of all Class I railroad mileage in the state and was responsible for:

Employment of over 15,000 workers including 4,500 workers at its corporate headquarters in Philadelphia.

Plant investment of nearly \$1 billion as part of a major industrial development program which helped produce 34 new industries.

The purchase of \$133 million worth of goods and services.

Track rehabilitation expenditures of nearly \$67 million.

Payment of over \$3.6 million in taxes to local governments.

Shipping for export over two million tons of coal through the Pier 124 complex in Philadelphia; this facility was recently expanded and modernized through an innovative partnership involving the Commonwealth and Conrail.

These significant contributions represent a great accomplishment by Conrail's management and workers in turning this once bankrupt railroad into a highly profitable venture.

While I indeed support the public interest criteria to guide any sale of Conrail which you set forth in your letter of April 20, 1984, I believe that Conrail's performance in meeting our economic and transportation needs must be the benchmark against which all private sector proposals are measured. Private bids should be evaluated on the basis of their potential to meet or exceed the performance of Conrail in Pennsylvania and the Northeast.

Conrail has pared its system and plant and workforce and has used the provisions of rail deregulation to maximum advantage in becoming flexible to changing market conditions, which has led to its current profitability. A decade of railroad reorganization has at last brought the Northeast a strong rail system on which business can depend. Pennsylvanians do not want to see this strength lost through a sale.

We are adamantly opposed to any sale of the federal interest in Conrail that could jeopardize the rail freight services and economic development initiatives which Conrail now provides to Pennsylvania and the entire Northeast along with the jobs which result from these efforts.

Accordingly, I urge your consideration of the following principles in your deliberations:

If Conrail is to be placed in the private sector, it must result in a strong railroad which will continue to enhance economic



development and preserve jobs in the Northeast. This can be accomplished only if any buyer preserves service to the states and shippers as now provided by Conrail, and continues to promote vigorously industrial development within the region as Conrail is now doing.

The Federal Railroad Administration should not consider any sale other than one that maintains Conrail as a single entity. This is needed to preserve the existing Conrail mainline system and protect the public investment in its properties and rebuilt infrastructure which constitutes an important portion of the national transportation system. Railroads and shippers in all regions of the nation would be adversely affected by actions to dismember the Conrail system or defer its maintenance.

It would be far better for Conrail to remain under current management than to initiate a premature sale that would not serve Pennsylvania and the Northeast as well as the existing system or allow adequate time to fully assess the consequences.

It would be troubling indeed if a sale of Conrail at this time merely resulted in the turning of a quick profit by a purchaser selling the newly acquired Conrail properties rather than maintaining a strong rail carrier in the Northeast.

I am particularly concerned about the recommendation by CSX, one of the current bidders, that you permit the carving up of Conrail among various other railroads. This idea clearly runs counter to our fundamental need to preserve a strong carrier in the Northeast.

I urge you to evaluate the various offers based on the principles I have set forth regarding freight service, economic development and jobs. Moreover, there should be a clear intent on the part of the bidder to maintain and utilize the existing infrastructure, including the coal shipping facility at Pier 124, which is so vital to our economic interest.

Your efforts to involve the states in this process are highly commendable and greatly appreciated. As Governor of the state that could be most affected by the outcome of the deliberations on the sale of Conrail, I hope that we can continue to be heard as this process unfolds.

Sincerely,

DICK THORNBURGH,  
Governor.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NEAL (at the request of Mr. WRIGHT), for July 26 and 27, on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mrs. MARTIN of Illinois) to revise and extend his remarks and include extraneous material:)

Mr. CAMPBELL, for 60 minutes, today.

(The following Members at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.  
Mr. GONZALEZ, for 60 minutes, today.  
Mr. UDALL, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. TRAXLER, immediately following the remarks of Mr. JEFFORDS, today in the Committee of the Whole, on H.R. 5151.

(The following Members (at the request of Mrs. MARTIN of Illinois) and to including extraneous matter:)

Mr. FRENZEL.

(The following Members (at the request of Mr. FOLEY) and to include extraneous matter:)

Mr. WHEAT.

Mr. MRAZEK.

Mr. LEVINE of California.

#### ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 40 minutes a.m.), the House adjourned until Monday, July 30, 1984, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3801. A letter from the Deputy Assistant Secretary of Defense (Comptroller, Administration), transmitting notification that the Department of the Air Force intends to exclude the "Examination of Records by Comptroller General" clause from contracts with the Omani government, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3802. A letter from the Director, Defense Security Assistance Agency, transmitting a report on price and availability estimates provided to foreign countries, and requests received for Letters of Offer for the quarter ending June 30, 1984, pursuant to AECA, section 28 (93 Stat. 708; 95 Stat. 1520; to the Committee on Foreign Affairs.

3803. A letter from the Chairman, Federal Election Commission, transmitting a copy of proposed regulations governing access to Public Disclosure Division documents, pursuant to Public Law 92-225, section 311(d) (93 Stat. 1354, 1362); to the Committee on House Administration.

3804. A letter from the U.S. Trade Representative, transmitting a report on the impact of U.S. implementation of the international Government Procurement Code on labor surplus areas, pursuant to 19 U.S.C. 2516(b), E.O. 12260, section 1-201; to the Committee on Ways and Means.

3805. A letter from the Secretary of Energy, transmitting notification of a delay in submitting a final Mission Plan relating to the disposal of radioactive waste, pursuant to Public Law 97-425, section 301(b)(3); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MITCHELL: Committee on Small Business. H.R. 6013. A bill to amend the Small Business Act; with amendments (Rept. No. 98-914). Referred to the Committee of the Whole House in the State of the Union.

Mr. ALBOSTA: Committee on Post Office and Civil Service. H.R. 5799. A bill to amend title 5, United States Code, to establish certain requirements for the procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service; with amendments (Rept. No. 98-915). Referred to the Committee of the Whole House in the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 6040. A bill making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes (Rept. No. 98-916). Referred to the Committee of the Whole House in the State of the Union.

#### SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Consideration of H.R. 5640 by the Committee on Public Works and Transportation extended for an additional period ending not later than July 31, 1984.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UDALL (for himself, Mr. WAXMAN, Mr. McNULTY, Mr. MCCAIN, Mr. RICHARDSON, Mr. LUJAN, Mr. BEREUTER, Mr. YOUNG of Alaska, Mr. KILDEE, Mr. VENTO, and Mr. HUNTER):

H.R. 6039. A bill to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. RAHALL:

H.J. Res. 630. Joint resolution to designate the week beginning February 3, 1985, as "National School Guidance and Counseling Week"; to the Committee on Post Office and Civil Service.

#### ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4447: Mr. FORD of Tennessee and Mr. DASCHLE.

H.R. 4571: Mr. GREGG.

H.R. 4832: Mr. DYMALLY and Mr. PENNY.

H.R. 5140: Mrs. BOXER.

H.R. 5875: Mr. BATES.

H.R. 5893: Mr. FRENZEL, Mr. BEDELL, Mr. DOWDY of Mississippi, Ms. KAPTUR, Mr. MARTINEZ, and Mr. BERMAN.

H.J. Res. 580: Mr. FUQUA and Mr. CROCKETT.

H.J. Res. 589: Mr. CHANDLER, Mr. ECKART, Mr. TAYLOR, Mr. WAXMAN, Mr. ALBOSTA, Mr. SYNAR, Mr. WISE, Mr. WYLIE, Mr. SKEEN, Mr. O'BRIEN, Mr. SMITH of Iowa, Mr. CLAY, and Mr. McDADE.

H. Con. Res. 325: Mr. KEMP, Mr. LEWIS of California, Mr. HANSEN of Utah, Mr. WHITEHURST, Mr. LAGOMARSINO, and Mr. BLILEY.

H. Res. 555: Mr. MORRISON of Connecticut, Mr. SYNAR, Mr. SMITH of Florida, Mr. LELAND, Mr. HARKIN, Mr. BRYANT, Mr. DOWNEY of New York, Mr. PANETTA, Mr. RODINO, Mr. HOWARD, Mr. TOWNS, Mr.

CLARKE, Mr. FOGLIETTA, Mrs. JOHNSON, Mr. TRAXLER, Mr. LANTOS, Mr. ALBOSTA, Mr. BOSCO, Mr. CONYERS, Mr. HAWKINS, Mr. ORTIZ, Mrs. SCHROEDER, Mr. LEVINE of California, Mr. CARPER, Mr. PEPPER, Mr. BARNES, Mr. LaFALCE, Mr. MINETA, Mr. FUQUA, Mr. WEISS, Mr. WHEAT, Mr. ACKERMAN, Mr. AKAKA, Mr. BATES, Mr. BONIOR of Michigan, Mr. BEILSON, Mr. McHUGH, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. OTTINGER, Mr. RATCHFORD, and Mr. WEAVER.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

400. By the SPEAKER: Petition of the National Association of State and Territorial Apprenticeship Directors, Loudonville, NY, relative to various resolutions adopted by the Eastern Seaboard Apprenticeship Conference delegates at their 40th annual convention in May; to the Committee on Education and Labor.

401. Also, petition of the National Association of State and Territorial Apprenticeship Directors, Loudonville, NY, relative to a resolution adopted by the 1984 Eastern Seaboard Apprenticeship Conference on Federal taxes; to the Committee on Ways and Means.